United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 80th CONGRESS, FIRST SESSION

SENATE

THURSDAY, JULY 3, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

God of our fathers, whose Almighty hand hath made and preserved our Nation, grant that our people may understand what it is they celebrate tomorrow.

May they remember how bitterly our freedom was won, the down payment that was made for it, the installments that have been made since this Republic was born, and the price that must yet be paid for our liberty.

May freedom be seen, not as the right to do as we please, but as the opportunity to please to do what is right.

May it ever be understood that our liberty is under God and can be found nowhere else.

May our faith be something that is not merely stamped upon our coins, but expressed in our lives.

Let us, as a nation, not be afraid of standing alone for the rights of men, since we were born that way, as the only nation on earth that came into being "for the glory of God and the advancement of the Christian faith."

We know that we shall be true to the Pilgrim dream when we are true to the God they worshiped.

To the extent that America honors Thee, wilt Thou bless America, and keep her true as Thou hast kept her free, and make her good as Thou hast made her rich. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the legislative proceedings of Tuesday, July 2, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a bill (H. R. 4002) making appropriations for civil functions administered by the War Department for the fiscal year ending June 30, 1948, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4031) making appropriations to meet emergencies for the fiscal year ending June 30, 1948, and for other purposes, and it was signed by the President pro tempore.

CONTINUATION OF CERTAIN POWERS OF THE PRESIDENT UNDER TITLE III OF THE SECOND WAR POWERS ACT

The Senate resumed the consideration of the bill (S. 1461) to extend certain powers of the President under title III of the Second War Powers Act.

The PRESIDENT pro tempore. Under the order of the Senate, the pending business is Senate bill 1461, the bill to extend certain powers of the President under title III of the Second War Powers Act.

The parliamentary situation is that the pending question is on agreeing to the amendment of the committee, which is a complete substitute for the text of the bill as introduced.

Mr. WILEY. Mr. President——

The PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. WILEY. I believe we should have a quorum. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	O'Conor
Ball	Hickenlooper	O'Daniel
Barkley	Hoey	O'Mahoney
Bricker	Ives	Overton
Bridges	Jenner	Pepper
Brooks	Johnson, Colo.	Reed
Bushfield	Johnston, S. C.	Revercomb
Butler	Kem	Robertson, Va.
Byrd	Kilgore	Robertson, Wyo.
Capehart	Knowland	Russell
Capper	Langer	Saltonstall
Chavez	Lodge	Smith
Connally	Lucas	Stewart
Cooper	McCarran	Taft
Cordon	McCarthy	Taylor
Donnell	McClellan	Thomas, Okla.
Downey	McFarland	Umstead
Dworshak	McKellar	Vandenberg
Ecton	Magnuson	Watkins
Ellender	Malone	Wherry
Ferguson	Martin	White
Fulbright	Millikin	Wiley
Green	Moore	Williams
Gurney	Morse	Young
Hatch	Murray	
Hawkes	Myers	

Mr. WHERRY. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate on official business.

The Senator from Connecticut [Mr. BALDWIN] is absent on official business.

The Senator from Maine [Mr. BREWSTER], the Senator from Delaware [Mr. BUCK], the Senator from Vermont [Mr. FLANDERS], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Rhode Island [Mr. McGRATH] are absent on public business.

The Senator from Georgia [Mr. GEORGE] and the Senator from Florida [Mr. HOLLAND] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness in their families.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is absent because of illness.

The PRESIDENT pro tempore. Seventy-six Senators having answered to their names, a quorum is present.

Mr. WILEY. Mr. President, a famous preacher once said that after the first 15 minutes no sermon effectuated any conversions. I think that statement is very pertinent in the legislative session at this time, so I shall be very brief in my remarks.

Mr. President, S. 1461 is a bill to extend certain powers of the President under title 3 of the Second War Powers Act and under the Export Control Act until June 30, 1948, with certain limitations.

Now, what is the need for this action?

Section 2 of the bill succinctly sets forth the situation. It declares that it is the policy of the United States to eliminate emergency wartime controls of materials, except to the minimum extent necessary:

First. To protect the domestic economy from injury which would result from adverse distribution of materials which continue in short world supply.

Second. To promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States.

Third. To make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate.

Fourth. To aid in carrying out the foreign policy of the United States.

It is well known that food allocations under the International Emergency Food Council, of which some thirty-odd countries are members, are recommended on a world basis. Inventories have been taken of foods throughout the world. We have attempted to appraise the needs of various nations, and thirty-odd nations have joined in this plan. The Secretary of Agriculture represents the United States. During the war, all exports were under control, comprising some 3,200 commodities. Today there are something over 300 commodities on the control list of the Department of Commerce. Because of world shortages and demands being made on the United States, for foods, manufactured goods, and raw materials, it is necessary to insulate our markets from the full impact of world demand in order that domestic prices do not get out of hand.

By the bill under title 3 of the Second War Powers Act:

(A) The President is authorized to control imports of tin and tin products, cordage fibers, antimony, fats and oils, rice and rice products, and nitrogenous fertilizer materials, which controls, though in a lesser degree than the control of exports, influence in the same manner domestic prices and production.

(B) The President has power of domestic allocation of commodities in short supply.

(C) He has the power to require priority of production, transportation, and of export of nitrogenous fertilizer materials, materials which he determines expand or maintain the production in foreign countries of materials critically needed in the United States, and materials, upon the certification of the Secretary of State that the prompt export of such materials is of high public importance.

Export controls serve as an essential instrument for channeling exports of certain commodities, such as foods and coals, to particular countries in accordance with our foreign policy. As already stated, we are participating with other countries in determining allocations of essential supplies in world short supply, and we want to prevent their maldistribution. With respect to fats and oils, rice and rice products, import controls operate to prevent an undue flow into the United States at the expense of other countries in greater need.

Senators will bear in mind that the bill proposes to extend these powers for a year. However, the statute specifically provides that the Congress, by concurrent resolution, or the President, may designate an earlier time for the termination of any power.

As I previously stated, during the war some 3,200 commodities were under control. Controls have been reduced, until now there are approximately 300 commodities under control. Of course, it is not so much a question of the number of commodities as it is the amount that is involved.

Mr. President, I understand some amendments will be offered in relation to cordage. I might say parenthetically that I have received letters from cordage manufacturers and have had conversations with the representative of the cordage manufacturers, and have received letters from the State prisons which manufacture cordage, and they all express the belief that controls on cordage should be removed. But, Mr. President, while I am not a "fearist," that is, I am not one who believes in fear, I believe that sometimes the advantage of a little prescience, the exercise of a little foresight, is better than a considerable amount of hindsight. We are told that we have now coming into harvest the greatest wheat crop in our history. Of course, a considerable amount of the wheat crop does not need binder twine. It is estimated, however, that there will be a loss of from 30 to 40 percent of our normal corn crop in certain areas. Our oat crop will be less than the normal crop. We must make sure that we gather the total crop, so that there shall be no loss in connection with it.

I have requested from some manufacturers a guaranty that the twine needed will be available. I could not obtain such a guaranty. I have been given their sincere promise. I believe they are sincere in making the promise. But, Mr. President, if I produce an item worth $1 and one buyer on the domestic market offers me a dollar for it, and other buyer offers me $2 for it, the one who offers me $2 is going to be sold that item. The important thing to be considered in connection with twine is that we shall have no loss in our food production. That is important not only for America, but, God knows, it is important for the world.

Mr. President, I understand that some statement is going to be made in relation to removing import controls of fats. I think the import control should remain on fats. Of course, with our buying ability we can corner the fats market of the world. But we have certain obligations that I have mentioned heretofore in connection with the agreement entered into by thirty-some-odd countries in relation to fats. If there is any one food item the people of the world need it is fats. We have obligations in connection with our occupancy of Germany. We have obligations undertaken with respect to other lands under agreements which we have entered into, and in my humble opinion we must keep faith with those agreements. Therefore, we cannot import, we cannot permit our buyers, in my judgment, to buy the fats which the rest of the world so badly needs.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. TAFT. I cannot understand the principle on which we limit imports of fats and oils into the United States. Only last week the President sent a message to Congress saying that under no circumstances must we limit imports of wool. There is a shortage of wool. There is a shortage of fats and oils. The President vetoed a bill because it contained a provision which might enable him to impose a tariff or fix quotas. Those are import controls. He vetoed that bill because he said it would prevent free trade in the world, would prevent our people from buying wool throughout the world. Yet we are now asked to place restrictions on the importation of fats and oils, with respect to which there is also a shortage, and prevent foreign countries from obtaining the dollars which might conceivably pay us for some of the things being exported.

I cannot understand the logic of the situation as between the two things. It is said that there is some agreement with respect to the distribution of these things throughout the world. If we are to have cartels throughout the world we ought to have import controls and quotas on everything. If not, I see no justification for continuing import controls on fats and oils.

Mr. WILEY. I do not vouch for the logic of the President of the United States. Nor do I believe that that is what we are considering. What we are considering is the legislative policy, for which we alone are responsible, even though the President has made the suggestion.

These are not logical times. These are times when everything is askew. Everything is out of gear. The world is not operating in high gear, or in mesh. It is out of mesh. So far as logic is concerned, if it is contended that we should buy wherever we can and take unto ourselves everything we can get, and go back on the international food agreement, while lending money to Europe so that Europe may come back here and buy the same fats from us, that is not logic, either. I feel that if we try to operate the Government on the basis of logic in these days, we shall find that it will prove to be inadequate. There is such a thing as the higher logic of the mind and the soul. Our responsibility is to keep our own economy healthy, and at the same time attempt to perform the function of a good Samaritan in helping to make other peoples adequate.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. BARKLEY. I do not wish to enter into a discussion of the wool question, which has been brought up by the Senator from Ohio. However, it seems to me that there is a situation with respect to wool entirely different from that which obtains with respect to fats and oils. There is no necessary relationship between the two, and no similarity between them. Our shortage of fats and oils is a temporary shortage, growing out of the war. Our people are being urged even now, 2 years after the war is over, to preserve fats and oils, not only for our own benefit but for the benefit of other countries, if we have any surplus. On the other hand, the shortage in wool is a permanent shortage. We have never had anything but a shortage in wool, so far as our own production and consumption are concerned.

Furthermore, placing restrictions upon the importation of fats and oils does not necessarily, if at all, relate itself to any international agreements with respect to trade. There is a temporarily emergent situation in which we are seeking to increase our own production of

fats and oils for our own consumption, as well as for whatever we may be able to do for other peoples who are suffering from an even greater shortage of those products than we are. I do not see the relationship between what is undertaken here in the extension of the authority under the Second War Powers Act and the President's veto of the wool bill the other day, and the subsequent action of Congress upon it. There has never been anything but a shortage of wool in the United States.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. TAFT. This country has never had anything but a shortage of fats and oils. We always import great quantities of fats and oils.

Mr. BARKLEY. We do; especially vegetable oils, but not necessarily animal oils.

Mr. TAFT. We have always imported large quantities of the kinds of fats and oils upon which import restrictions are now placed. Today we are unable to import those fats and oils. There is no attempt to allocate. This is simply an import control. The result has been that American users of fats and oils have been competing for a limited supply of fats and oils, and the prices of such fats and oils have been driven far beyond what they ought to be. For the kinds of fats and oils being imported today we are paying prices largely in excess of the world prices.

Mr. BARKLEY. We are importing fats and oils produced from vegetables which we ourselves do not produce.

Mr. TAFT. Yes. For the most part the fats and oils which we import are inedible oils, which we always have imported.

Mr. BARKLEY. We have also imported considerable quantities of edible oils.

Mr. TAFT. We usually export edible oils.

Mr. BARKLEY. I refer to oils such as olive oil, and things of that kind, which are produced in other countries, and which we do not produce. Olive oil is an edible oil.

The situation to which the Senator calls attention is not limited to inedible oils. Over a long period of years, in normal times we have exported animal fats, such as lard, and other fats of that sort; but we are not doing it commercially to a great extent at the present time.

Mr. TAFT. What happens today? We place export controls on edible fats, the result of which has been to force the price of lard below normal. Other countries want lard, but apparently our people are not particularly fond of it. We place such controls in effect at the same time we place import controls on vegetable fats and oils which come in from the Tropics. It seems to me that there is no logic in the situation. I do not like the continuation of any controls, but I can see the reason why, when we are spreading our dollars around the world so freely, we should protect our own markets from those dollars buying the things with respect to which we are in short supply. But I cannot understand why we should have import controls. It seems to me utterly inconsistent with our whole foreign trade policy, and the reciprocal trade policy, the purpose of which is to encourage imports into this country so that foreigners may have dollars with which to buy goods in this country.

It is said that the Food Commission is to divide up the oils and fats, so that we must restrain ourselves from buying free fats and oils. However, the countries in which we can buy them can place export controls on them if they so desire, and can to some extent guide the disposition of their fats and oils. The British do it. I do not believe that the removal of such controls would affect the world situation in any respect. I think it would reduce the price of fats and oils in this country. It would enable us to be more free in permitting the export of lard and fats of which we have a surplus. I believe very strongly that the attempt to continue import controls is far worse than raising the tariff or imposing quotas, to which the President objects in other fields.

Mr. BARKLEY. Mr. President, will the Senator further yield?

Mr. WILEY. I yield.

Mr. BARKLEY. I do not wish to take the Senator's time, because I know that he is anxious to have the bill disposed of. However, I should like to say just a word. The question of whether the price of lard is below normal depends upon what is considered normal. Ordinarily, the price of lard goes along with the price of hogs and other animals from which lard is made. It presents to me a different situation. These controls may not be exercised. The bill merely provides for an extension of the power to apply them, if the President should see fit to do so.

Mr. WILEY. They can be terminated at any time.

Mr. BARKLEY. They can be terminated at any time. I am satisfied that whenever the President is convinced that they ought to be terminated, he will do so. This is merely a permissive extension.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. WILEY. I yield.

Mr. FERGUSON. Are the nations which belong to the organization which determines the quotas for export and import of these various products the nations which produce all the oils and fats, or are there some other nations which would be an open market, and would sell to anyone, disregarding the regulations of the Commission?

Mr. WILEY. I cannot answer the question definitely, except to say that it appears to me, from the list contained in the report, that there are involved South American countries, Australia, Mexico, the Union of South Africa, the United Kingdom, United States, and a number of small countries. I suppose there are some countries which have not yet come in.

I want to state again, Mr. President, that I can agree with the statement of the distinguished Senator from Ohio that perhaps it is not logical; but the committee in its report makes this statement:

> It is the opinion of the committee that the chief purpose of import controls of oils and fats is to give strength to the commitments made in the IEFC and to deficit countries who are members of the IEFC that this country will not use its favorable financial position to capture free supplies of oils and fats which deficit countries sorely need.

The report takes up the subject of fats and oils on page 22; and Senators will find a summary of the testimony for and against this proposition. The controls can be terminated at any time. If the world situation would clear up, they would be terminated. On the other hand, if the world situation should get worse in relation to food, especially fats and oils, it is very important, to my mind, at least, that the instrumentality be present to enable us to handle the situation.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. TAFT. I want to point out, with regard to our obligations to the rest of the world, that this country is exporting more food than any country has ever exported in the history of the world. We are performing all our obligations to the world. We are exporting large amounts of edible fats and oils, and I cannot see that we need voluntarily to restrict ourselves in buying things which we can buy. If we import them, we will be able to export more products after they are processed.

Is it not true that every member of industry who testified was opposed to the continuation of these import controls, and that the only pressure for it came from Government officials?

Mr. WILEY. In answer to the last question of the Senator, I will say that the Senator from Kentucky [Mr. COOPER] is the one who held the hearings. I was only in and out during the hearings. The Senator's question would have to be answered by the Senator from Kentucky. Judging from the summation in the report, I think that probably the question should be answered in the affirmative.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. WILEY. If the Senator will wait one moment until the Senator from Kentucky [Mr. COOPER] has an opportunity to respond.

Mr. COOPER. Mr. President, there was only one man who appeared with reference to fats and oils, as I recall the testimony. That was Mr. John B. Gordon. A little bit later, when I take up the bill, I expect to explain in some detail the evidence and testimony respecting these various commodities. I should prefer to wait until that time.

Mr. TAFT. Mr. H. W. Prentis, Jr., president of the Armstrong Cork Co., is also referred to in the report as having testified against the continuation of import controls on linseed oil.

Mr. COOPER. That is correct.

Mr. FERGUSON. Is it not true that by putting on these import controls in that way we are keeping dollars from certain countries that are in need for them? Take a country which has fats and oils, but which is in need of American dollars. By this method of control we keep from them American dollars and compel them to take some foreign exchange or none at all for their fats and oils, whereas at the same time we control the imports of fats and oils we are shipping these products to foreign nations. As I see the picture, we are just controlling them and increasing the price in this country. Is it not a fact that we keep American dollars from the other countries?

Mr. WILEY. Again I shall have to defer to my colleague, who has gone into the subject in much more detail.

At this time, Mr. President, I want to close my remarks, and I shall ask the Senator from Kentucky [Mr. COOPER] to go into the subject quite fully.

As I look over the world and see the need of various nations, I think that if there is any country, such as Australia, for instance, which undoubtedly has fats, she would undoubtedly sell them to England or to other parts of the Empire. If there are places in South Africa possessing fats and oils, instead of our buying those products and bringing them over to this country and shipping them back, we could so arrange it that other nations who have dollars, through our various banks and through various international loans, can get those fats directly. That would seem to me to be the answer.

When a man is diligent and conscientious and possesses other much-sought-for human qualities, the chairman of a committee welcomes him with open arms. Our associate the Senator from Kentucky [Mr. COOPER] is a veteran of the last war. He possesses these qualities and three others which endear him to all his associates. He has judgment, courage, and ability to get at the facts and the issues in a given matter. He received only one directive from me in connection with this matter. When it came before the Committee on the Judiciary I appointed him as chairman of the subcommittee and said, "Get the facts." He has held numerous hearings, and examined many witnesses, and I should like to have him take over from here on.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. OVERTON. With respect to rice, does the bill affect only the importation of rice, or does it also affect the exportation of rice?

Mr. WILEY. I think the Senator's colleague has taken care of that by inserting the word "only."

Mr. ELLENDER. Section 3 of the pending measure amends title III of the Second War Powers Act, insofar as the importation of rice and rice products is concerned. There is another section of the bill, section 4, which deals with the exportation of various products, including rice.

Mr. OVERTON. I am glad the Senator is here, because he is much more familiar with the situation than I am.

Mr. ELLENDER. Mr. President, since we are now dealing with rice and rice products, will the distinguished junior Senator from Kentucky yield to me for just a moment so that I may submit a noncontroversial amendment for consideration?

Mr. COOPER. I yield.

Mr. ELLENDER. Mr. President, I send to the desk an amendment which adds the word "only" after the word "control", on page 7, in line 15, of the bill. Title III of the Second War Powers Act conferred certain powers on the President of the United States respecting controls and priorities of various products. Under that title the Department of Agriculture in the past used its authority to set aside certain quantities of rice and rice products and fix priorities and control prices thereon. Although the pending bill seems to deal solely with the importatior of rice and rice products, I believe that by the addition of the word "only" after the word "control", on page 7, in line 15, it will make certain that the only authority that the Department will have in respect to rice and rice products under section 3 of the bill will be as to their importation. In other words, I desire to make it certain and crystal clear that the power to control prices, or to order set-asides or enforce priorities, insofar as rice and rice products are concerned, is not hereby renewed or extended.

In pursuance of that objective, I took up the matter with the Department of Agriculture, so as to obtain its views of what powers it thought the extension of title III of the Second War Powers Act now under discussion renewed insofar as rice and rice products are concerned.

Mr. President, at this time I wish to read in the RECORD a letter addressed to me from the Department of Agriculture, dated June 26, 1947, explaining what the act will do and why it is necessary to have import controls and export controls insofar as they affect rice and rice products. The letter reads as follows:

DEAR SENATOR ELLENDER: This is in reply to your telephonic request for information regarding the provisions of pending legislation to extend certain emergency powers and export controls and administrative action which might be taken under such legislation as they affect rice.

The only controls over rice and rice products which would be authorized under the pending legislation are those over imports and exports. It would not authorize the use of set-asides, priorities, or price control.

Let me say that the rice industry objected to an extension of title III of the Second War Powers Act last March and at present insofar as the extension permitted the Department of Agriculture set-asides, priorities, and price controls.

I read the remainder of the letter:

The authority to control imports appears to be necessary to prevent the importing of rice into this country to the detriment of other consuming areas. The authority to limit exports appears necessary to assure domestic consumers of obtaining their fair share of domestic production and to assure proper destination of such quantities as are available for export.

Since there has been some misunderstanding of the provisions relating to export control, I want to make it perfectly clear that the legislation does not authorize any form of control which could be used to meet export allocations. On the contrary, it does authorize the limitation of exports if necessary to prevent the exporting of an undesirably large proportion of the crop.

Sincerely yours,

N. E. DODD,
Under Secretary.

Mr. President, in connection with my remarks, I ask unanimous consent to have printed in the RECORD a telegram dated June 28, addressed to me, from Homer L. Brinkley, general manager of the American Rice Growers' Cooperative Association, and also a letter of June 27, 1947, from the Rice Millers' Association, of Louisiana, which are self-explanatory. I will not take up the time of the Senate to read them. The telegram, as well as the letter, explains the views of the rice industry on the pending measure.

There being no objection, the telegram and letter were ordered to be printed in the RECORD, as follows:

LAKE CHARLES, LA., *June 28, 1947.*

Senator ALLEN J. ELLENDER,
Senate Office Building,
Washington, D. C.:

We regard continuation of both import and export controls on rice to be tremendously important for next year in order to protect domestic markets, including Puerto Rico and Hawaii and our Cuban export market. In view of world shortage, our domestic and Cuban markets might be drained if no export controls were imposed. If import controls are not imposed, it is entirely possible that imports from countries desperately in need of dollar exchange would come into domestic markets over our tariff wall, particularly if present price structure is maintained. We understand investigation is under way now by Puerto Rican governmental purchasing agency with the view to bringing in Brazilian rice with the Puerto Rican agency paying the import duty, which would be merely a bookkeeping transaction, since duty paid on imports to Puerto Rico remain in Puerto Rican treasury. Greatest potential threat to our industry now seems to be Brazil. To date they have not renewed their sales agreement with Great Britain, and this leaves them in position to threaten all our markets, including domestic markets. If United States export-import controls are extended, we will have far better bargaining powers so far as Brazil is concerned. Furthermore, it is our belief that the extension of these controls will constitute a moral obligation on our Government to see that our tremendou exportable surplus being produced this year will all be allocated and moved out to all available markets, with due consideration to the requirements of our domestic markets.

We urge you to take all necessary steps to see that these controls become effective.

HOMER L. BRINKLEY,
General Manager, American Rice Growers Cooperative Association.

THE RICE MILLERS' ASSOCIATION,
New Orleans, La., June 27, 1947.

Hon. ALLEN J. ELLENDER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR ELLENDER: We are deeply grateful to you for your painstaking efforts in behalf of the domestic rice industry. It

was, indeed, thoughtful of you to call the writer over telephone this forenoon and discuss with him the action which you are taking with respect to S. 1461.

We are not opposed to legislation to provide authority to restrict or curtail imports of rice, nor are we opposed to providing authority to designate foreign countries to which rice may be shipped and to specify the maximum amount which may be shipped to each country. But we are unalterably opposed to authorizing any form of control which could be used to implement export allocations, and thereby deprive the rice industry of furnishing the domestic market the maximum quantity of rice that it can utilize for comestible and industrial purposes. We believe that it is desirable that any legislation enacted make crystal clear that with respect to rice, authority to provide controls are limited to controlling the quantity which may be imported or exported. It is our opinion that this could be accomplished in specific legislation to authorize import-export controls and we believe that would be a better plan than to authorize any extension of controls for rice under title III of the Second War Powers Act, as the powers conveyed by that title are extremely broad and so vague that they can be and have been interpreted by the administration as suits their purpose.

It will give us pleasure to inform the industry generally of the work you are performing in its behalf.

With kindest personal regards.

Sincerely yours,

W. M. REID,
Executive Vice President.

Mr. ELLENDER. Mr. President, I now submit the amendment and ask for its immediate consideration.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 7, line 15, after the word "control", it is proposed to insert the word "only."

Mr. COOPER. Mr. President, there is no objection to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment to the amendment was agreed to.

Mr. COOPER. Mr. President, I want to thank the distinguished Senator from Wisconsin [Mr. WILEY] for his very kind and generous remarks. As he has said, the purpose of Senate bill 1461 is to extend certain emergency powers of the President until June 30, 1948, powers which, if not extended, will expire on July 15, 1947. The powers which this bill proposes to extend are exercised by the President under the authority of two acts of Congress. The first is familiarly known as the Export Control Act, and the second as title VII of the Second War Powers Act.

I must admit that my study and knowledge of these provisions is of short duration; but during the last 6 weeks I have become convinced that the full scope and implications of these powers are not fully recognized. If the Senate will bear with me for a short time, I shall discuss, as briefly and as simply as I can, the nature of these powers, the method of their present administration, and, in a limited way, their effect upon our domestic economy and foreign policy.

For approximately 6 weeks, a subcommittee of the Judiciary Committee, composed of the Senator from Wisconsin [Mr. WILEY], chairman of the full committee, who gives his valuable aid to every subcommittee, the junior Senator from Oklahoma [Mr. MOORE], the senior Senator from Nevada [Mr. MCCARRAN], and myself, conducted hearings. We heard over 50 witnesses, who gave approximately 1,200 pages of testimony. We endeavored to secure the testimony of every person or association that we thought was interested in this subject. I must say, frankly, that very few of them appeared, and that not too great an interest was indicated by the trade and by the people whose commodities are subject to control.

Addressing myself to the export controls, let me say that the powers which are exercised by the President, are exercised under authority of the act of July 2, 1940, which in its terms gives the President the power to say whether any commodity produced or manufactured in the United States shall be exported. It should be borne in mind that since the enactment of the act in 1940, no limitation has been placed by the Congress upon this power of the President; and today the President can say whether any commodity produced or manufactured in this country shall be exported or shall not be exported. When determination is made that a commodity may be exported, the President can decide what volume of the commodity may be exported, he may determine to what countries it may be exported, and he may prescribe quotas for such countries.

Take, for example, wheat: The President may determine that wheat may be exported; second, that 400,000,000 bushels of wheat may be exported; third, that certain countries, perhaps Great Britain, France, Belgium, and any other countries the President might name—shall receive the 400,000,000 bushels of wheat; and the President can determine the quotas to be allotted to the selected countries.

During the war, at the peak, approximately 3,300 commodities were under export control. By last year that number had been reduced to 750, and today there are 397 products comprising 19 classes, whose control for export purposes is limited.

At this time I should like to have printed in the RECORD, as a part of my remarks, the list of classes of commodities which are under export control. There are some 19 classes of commodities, and the list appears on page 6 of the committee report. I ask unanimous consent that the list of 19 classes appearing on page 6 of the committee report be printed as a part of my remarks at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Meat and meat products; animal and vegetable fats and oils; dairy products; fish and fish products; grains and preparations, including barley, corn, rice, and flour; fodders and feeds; sugar; crude rubber; fibers; building materials; coal; petroleum products; steel-mill products, including tin plate, scrap, steel pipe, wire, nails, and other iron and steel manufactures; copper, brass, lead, zinc, and tin and their manufactures; electrical machinery and apparatus, such as batteries, small motors, and electrical conduits; industrial chemicals and fertilizers; medicinal and pharmaceutical preparations, including streptomycin, quinine, and insulin; pigments for paints and varnishes, etc; soap and toilet preparations.

Mr. COOPER. Mr. President, the list of commodities under export control does not truly indicate the extent of the power. Its extent is more accurately reflected by noting the types of commodities which are under export control and their value. They are basic commodities such as food, coal, lumber, and steel.

Their volume in terms of dollars is indicative of the extent of control. It is my information that after the last war the highest volume of exports from this country, in terms of dollars, was about $8,000,000,000. In 1929 it was $5,241,000,000 which, until 1945, was the largest in peacetime in the history of this country. During the thirties the value of exports decreased to an average of two and a half to $3,000,000,000 a year.

At this time I ask unanimous consent to have printed in the RECORD as part of my remarks the table found on page 6 of the committee report which gives the dollar value of exports during the years 1934 to 1940.

The PRESIDING OFFICER (Mr. IVES in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1934	$2,133,000,000
1935	2,282,000,000
1936	2,455,978,000
1937	3,349,167,000
1938	3,094,440,000
1939	3,177,176,000
1940	4,021,146,000

Mr. COOPER. Mr. President, in the calendar year 1946, the total value of exports from this country, controlled and uncontrolled, was $9,800,000,000. The value of exports under control was $2,500,000,000. It is estimated that in this calendar year between fifteen and seventeen billion dollars of commodities will be exported, and that between four and five billion dollars of the total will be under export control and under the power of the President.

I should like to pass for a time to the method by which export control is administered by the President. The act gave him the power to designate any agency of government to carry out his powers. He has designated the Secretary of Commerce, and in the Department of Commerce, in the Office of International Trade, there is a section called the Commodity Branch, which is charged with the administration of the power, including the issuance of licenses to exporters.

To advise the Secretary of Commerce, there has been established an interdepartmental committee known as the Export Control Committee, made up of representatives of various departments of the Government which are interested in products under export control. On the committee is a representative of the

Secretary of Agriculture, interested in food; a housing expediter, interested in building products; a representative of the Office of Defense Transportation, interested in transportation; and representatives of the Department of Commerce, interested in industrial products.

It would appear from this delegation of power to the Secretary of Commerce that he is actually exercising full control over exportable commodities. But the committee found that in practice such is not the case. He does maintain and reserve to himself the power to make decisions with respect to industrial products, but food products, which make up the great portion of the exports, are administered by the Secretary of Agriculture under authority of an Executive order of the President.

Control over the export of building materials is administered by the Housing Expediter.

I should like to point out now, as the preface to a statement I shall make later, that in this respect we found a division of authority and a lack of coordination in the administration of the export of these basic commodities.

I will discuss briefly the method by which the allocations and exports of food are determined. The first organization which deals with the export of food is not an organization of our Government. It is known as the International Emergency Food Council. In 1941 the Combined Food Board was established by the United States and the United Kingdom. In 1942 Canada became a member of the Board, and in 1946, taking note of the fact that food was the great concern of the world, 34 nations, including the United States, formed the International Emergency Food Council.

I ask unanimous consent that the list of nations appearing on page 3 of the record may be made a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Australia, Austria, Belgium, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, Denmark, Ecuador, Egypt, Finland, France, Greece, Hungary, India, Ireland, Italy, Mexico, Netherlands, New Zealand, Norway, Peru, Poland, Portugal, Republic of the Philippines, Siam, Sweden, Switzerland, Turkey, Union of South Africa, United Kingdom, United States.

Mr. COOPER. The office of the IEFC is in Washington. The member from the United States is the Secretary of Agriculture. Its secretary general is Mr. D. A. FitzGerald, from the Department of Agriculture, a very able and industrious man. The organization deals with seven basic commodities—cereals, rice, fats and oils, fertilizer, sugar, cocoa, and seeds.

The organization asks its member countries, and other large producers in the world who do not belong to the organization, to submit to it estimates of production of the commodities named above and estimates of their requirements. From the information a kind of balance sheet is made up, on which is determined the maximum amount countries can export, and the minimum amount of imports countries may receive. Of course, the purpose is to attempt to secure an equitable distribution of the short supply of food in the world. Recommendations are made to the member countries, and if the governments concur, the recommendations become the action of the IEFC.

The Senate should remember that when determination is made by the IEFC of the amount of any commodity this country should export, the Secretary of Agriculture, being a member of the council, and having secured tentative approval from his Government, certainly would believe that there is a moral commitment upon his part to ask the Secretary of Commerce to agree to such allocations. We found that agreement is secured.

I pass now to consideration of the powers which are granted to the President under title III of the Second War Powers Act.

In attempting to draw some distinction between export control powers and the powers exercised under title III of the War Powers Act I point out that under the Export Control Act no direct control is exercised upon individuals upon businesses, or upon producers in this country. All that is done is to determine the exportable quantity of any commodity, and then make allocation for distribution among the nations to whom it is determined exports shall be made.

The powers granted under title III of the Second War Powers Act are of different natures; if Senators will examine the bill which has been submitted, at section 3, page 7, which section relates to the extension of these powers, I can point out briefly their nature.

First, on page 7 reference is made to tin and tin products, manila fiber and cordage, and antimony. The provisions represent the power to allocate within the United States for specific purposes certain commodities which are in short supply in the world and in this country.

Taking tin as an example, the evidence indicated that before the war the total supply of tin in the world was 200,000 tons, of which the United States used over 50 percent, over 100,000 tons. Today the total world production is only 117,000 tons, and the testimony indicated that if we could secure all the tin we could use, we would use 120,000 tons, which is more than the entire world production. Our total supply of tin from all sources, is about 90,000 tons, and to secure its most effective use the President has the right to name the uses for which tin can be employed, and necessarily to allocate it and direct it to certain manufacturers for those uses.

In the case of tin, there not being enough tin for all purposes, it has been determined that tin shall be used for specific purposes, notably in the use of tin plate for tin cans for the packing of foods, and for bearings necessary for transportation and for farm machinery. Having determined what is called the end uses of tin, the supply is then allocated to certain manufacturers, who can use it only for the specified purpose.

A second type of control is authorized in paragraph 3, on page 7, referring to fats and oils, rice and rice products, and nitrogenous fertilizer materials. It is a different type of control. It is the power to restrict imports of these three materials. The argument for justification is based upon three grounds: First, they are commodities which are absolutely necessary and in tremendously short supply in the world; second, that while we do not have all that we could use, we have more than anybody else, and we have a reasonably good supply; and, third, that if import controls were lifted, then, with our dollars, we would be in position to capture and bring into this country a greater part of these materials available in other countries, and thus deprive needy countries of the small supply that they can now purchase.

I shall discuss for a moment fats and oils. I note that the Senator from Ohio is not on the floor at the moment. When he returns, I shall go into that matter again, to further develop the reasons I now advance for the continued control of fats and oils.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. COOPER. If the Senator will permit me to finish this discussion, I shall be glad to yield. Does the Senator desire to ask a question?

Mr. O'MAHONEY. No. I want to secure a copy of the report of the hearings.

Mr. COOPER. I yield.

Mr. O'MAHONEY. I desire to read the hearings upon this bill. I find that they are not printed. Upon finding that to be the case, I thereupon asked the Secretary for the minority to secure a copy of the transcript from the office of the Judiciary Committee. The clerk who responded to the call seemed to be under the impression that the transcript of the hearings could not be sent upon the floor. Therefore, Mr. President, I ask unanimous consent that the Secretary be requested to bring the transcript of the hearings to the floor, in order that I may consult them.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

Mr. COOPER. Turning to fats and oils, the evidence before the committee indicated that the present production of fats and oils in the world, taking into consideration the increased population, amounts to about 65 percent of prewar production. In certain devastated countries, the production amounts to about 20 to 25 percent. In our country we are producing 95 percent of our total prewar production.

There are two types of oils, edible oils, and nonedible oils. We have a surplus of edible oils, and we are exporting about 325,000 tons of edible oils a year. We are importing 375,000 tons of nonedible oils. If import controls should be removed, we would be able to purchase the short supply of edible oils that can be purchased in the world, and thus make it impossible for needier countries to secure the oils they need. Furthermore, if the IEFC continues in operation, the amount we import would be charged

against our total supply, and an increased export allocation of fats and oils would be made to other countries; so it seems in the long run we would gain nothing by importing more fats and oils.

I should like to speak for just a moment about fertilizers, because there has been a great deal of controversy about fertilizers. A great many people give the opinion that there is a great shortage, a lack of production of fertilizer in this country. The evidence shows that whereas, before the war, we were producing about 7,000,000 tons of fertilizer annually, today we are producing 14,000,000 tons of fertilizer. The need arises from the increased demand brought about by improved farming methods and by higher prices for agricultural products.

One valuable type of fertilizer used is nitrogenous fertilizer. The total supply in the world toda: is 2,700,000 tons against a demand for 3,800,000 tons. We have 886,000 tons, of which amount we import 200,000 tons, one-half from Canada, one-half from Chile. If we lift controls and permit the free importation of nitrogenous fertilizer materials we could capture with our dollars the available nitrogenous fertilizer in Canada and in Chile, and thus deprive the rest of the world of needed fertilizer. The importance of fertilizer today is illustrated as follows: We are shipping food to Europe. It has been demonstrated that 1 ton of fertilizer sent to Europe equals 15 tons of food sent by us to Europe.

A third type of power that is granted under the pending bill is indicated in paragraph 4, page 7. Briefly speaking, it gives the President power to give priorities and to require that certain articles be exported to other countries, in order to encourage the production of critical products that we need. To give an example, we are importing tin from Bolivia. If the President should determine that production of tin in Bolivia, and thereby our imports, would be increased by sending steel or lumber to Bolivia, he could order steel or lumber sent to Bolivia under the authority of this paragraph.

Finally, the fourth power which is granted to the President is authorized in paragraph 6, page 7. It is a power which is intended to implement the foreign policy of this country. It gives the President the power to give priority for the exportation of commodities to foreign countries, upon certification by the Secretary of State that such action is necessary for the successful carrying out of our foreign policy. Mr. Acheson, in testifying before the committee, gave this example: He said that in undertaking the program of rehabilitation now started in Greece it is known that it will be necessary to repair a certain bridge, in order to make available an entire railroad, necessary to the transportation system of Greece. This paragraph would give the President the power to send to Greece for that specific purpose that necessary amount of steel. I think the short summary of the powers which I have indicated here should give us some notice of the extent of these powers. They are broad powers. They are very extensive powers.

We have heard a great deal lately about high prices. We cannot fail to take into consideration the effect that the control of $4,000,000,000 to $5,000,000,000 of commodities is having upon prices in this country. We have a surplus of wheat and coal and other commodities. As export controls are opened, the surplus moves and prices are higher. If controls are tightened, the surplus is freed, and prices drop. It is a form of price control. It affects production and supply, and it still imposes certain limitations upon free enterprise and upon individual enterprise. It is a type of control we do not want. Yet, after hearing all the testimony, the committee recommends that these great powers—and they are great powers—be extended for 1 year until June 30, 1948.

Not all members of the subcommittee agreed to that recommendation, but it was the finding of the committee. We based our finding upon these facts. First, we believe it is necessary in order to protect the domestic economy of the country. We recently had an illustration of public opinion when controls were lifted, and that illustration came with respect to petroleum. There were no controls upon petroleum. It was found that petroleum was being exported to Russia, and immediately there arose the demand that controls be reimposed on petroleum.

Wheat today is selling in the United States for $2.25 or $2.35 a bushel. In the Argentine it is selling for $4 to $4.50 a bushel. World production today is estimated to be 5 percent less than normal production, but the population of the world has increased approximately 10 percent over the prewar population. The United States is producing 40 percent more food than it did before the war. If controls were lifted from food products needy countries would certainly come to this country and secure all the food they were able to buy and would lessen our supply, and domestic prices would rise.

Second, the committee recommends the continuance of controls because we believe they are necessary to our foreign policy. Last year the United States exported fourteen and a half million tons of cereals, as compared to the annual average of one and a half million tons before the war. Under our obligations to occupied territories we sent five million tons of cereals to Germany and to Japan.

We have recently voted $350,000,000 for relief purposes in Europe, and if the relief program is to be carried out, if our obligations in occupied territories are to be carried out, we must be able to secure the food and the wheat and to send them to those areas where we have made commitments. We must be able to do what we say we will do, at the proper time.

A great deal is being said about a program of rehabilitation for western Europe. If it materializes it will be necessary to assure the export of needed commodities to the proper areas. Export control gives the Government the power to direct exports to the countries to which we want exports to go.

Mr. President, if we do not have controls, countries possessing dollars, notably some countries in South America, Russia, and Spain, would have the opportunity to buy our exportable surpluses to the disadvantage of the countries we want to help, to the disadvantage of countries to whom we have obligations. Upon the above considerations we recommend extension of control.

Before I close I want to point out some errors in the administration of the acts that we believe should be corrected. First, we found that there was not any adequate consultation with private industry and the trades. We recommend that if controls are continued, procedures be adopted to secure the advice and consultation of private industry.

Second, there was a great deal of complaint about licensing procedures. Licenses now are granted upon the basis of 85 percent to the historical exporters, those who exported before the war or in war years, and 15 percent to new exporters. There was complaint that this ratio does not make adequate provision for new businesses. It is an arbitrary division, but we recommend that it be reviewed and that every effort be made to secure a more adequate distribution of licenses among exporters.

Mr. SMITH. Mr. President, will the Senator yield for a question?

Mr. COOPER. I should like to finish. I will finish in a few minutes.

The PRESIDING OFFICER. The Senator declines to yield at this time.

Mr. COOPER. A more important criticism was directed to the fact that country allocations of steel, lumber, and several other basic commodities have not been made. One argument advanced by the Government for the extension of control was to preserve the power of the Government to direct which are in the greatest need and which are important to our foreign policy. Yet we found that with respect to steel the policy of the Government was to make a determination of the total amount that could be exported, and then let the whole world come and bargain and compete for the available amount.

We were not able to secure very much testimony upon steel, but the able and distinguished Senator from Pennsylvania [Mr. MARTIN] had conducted extensive investigations upon that subject. He appeared before the committee. He made a report of his findings, and in every instance we have found his findings correct. He made recommendations as to certain procedures that should be adopted by the Department, and we have said in our report that the Department should take his recommendations into consideration.

Steel is selling for about $65 a ton upon the domestic market. Yet by this practice of nonallocation, countries to whom we have loaned money and to whom we have granted money must come into this country and pay $125 and $135 a ton for steel, bargain with each other, bargain with nations who are not as friendly to us as the nations to whom we have loaned or granted money, and as a result the money which we have loaned or granted is being used up quickly, at the expense of the American taxpayer.

Another complaint that was made was concerning the Government policy of

wheat procurement. Strong representations were made by the trade that the trade should be permitted to procure wheat for export. After full consideration of the arguments, the committee did not change the present procedure.

In the bill we do attempt to set out the details of administration. We do make certain recommendations in the committee report.

However, the basic weakness of the present administration, in the opinion of the committee, lies in its division of authority. Although the President has delegated the power to the Secretary of Commerce, he is only exercising his power with respect to industrial products. The power to make decisions with respect to food is exercised by the Secretary of Agriculture. With respect to housing materials it is exercised by the Housing Expediter. If a controversy should develop between the various agencies of the Government as to a proper course of action the Secretary of Commerce should make the decision. Because we believe that the problem of controls is a basic one, and because we believe that the control of $4,000,000,000 or $5,000,000,000 of commodities is one of the major factors in price increases in this country, we first proposed that definite responsibility for administration should be fixed. We proposed that an Administrator of Exports and Imports should be nominated by the President and confirmed by the Senate, and that full authority be given to exercise power and control. I am convinced, after consultation with committees of the House, that the House will not agree to the provision; but so strongly do I feel upon the question I shall offer an amendment which will require the Secretary of Commerce to exercise the control and authority delegated to him.

To explain the difficulties which could arise from a lack of unified authority, I make this observation: As I have previously stated, the Secretary of Agriculture in actual practice makes the final determination as to the amount of food that shall be exported from this country, the countries to which the food shall go, and the quotas allotted to them. The War Department has an interest in the food that is to be exported, because it is the responsibility of the War Department to make provision for our occupied zones. The Secretary of State has an interest in the food supply, because it is his responsibility to administer the $350,000,000 relief program. Under the present practice there is the possibility of three competing claims for our supply of food; and, so far as we could learn, in case of conflict no one other than the President would make a final decision. I think it is very importan that someone be charged with the full responsibility of exercising authority.

I give one further example. We learned in the hearings that there is a shortage of some petroleum products in the country. There is a shortage in this country of pipe; and according to the evidence a part of the petroleum shortage arises from the fact that there is not enough pipe to increase domestic petroleum production. It was also brought out that in certain sections there will be a shortage of gas this winter, arising from the fact that pipe lines cannot be constructed because of the shortage of pipe. These matters are of great interest to our domestic economy. On the other hand, it was developed that supplies of pipe have been exported to foreign countries to stimulate the production of oil in those countries from which we expect to import. There was some evidence that that had been done to the detriment of our own domestic situation. If these claims are conflicting, some officers of this Government should have the power and responsibility to resolve them. I regret we could not find out that there is anyone today who would make such a decision, other than the President himself.

I believe that the program deserves greater coordination than it has been receiving.

In all fairness, however, I wish to say that in our hearings there did not develop any indication of red tape. We believe that the Secretary of Commerce, the Secretary of Agriculture, the Secretary of State, and those under them have generally administered the program with as little interference with enterprise as is reasonably possible under a system of controls. This statement, made in fairness, does not detract from the argument that specific responsibility should be placed upon an official of the Government.

Mr. President, I should like to offer several amendments to the committee amendment to Senate bill 1461.

The PRESIDING OFFICER. If the Senator from Kentucky will offer them one at a time, they will be disposed of in that way.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HICKENLOOPER. Perhaps the Senator has discussed this question, but I wonder what, if any, information he or his subcommittee may have as to the amount of stored fat meat in this country at the present time.

Mr. COOPER. I have such information.

Mr. HICKENLOOPER. I should be glad to have the Senator give us the information, and tell us what the situation is with regard to the storage and movement of that commodity.

Mr. COOPER. A few minutes ago the Senator from Ohio [Mr. TAFT] asked a question about the number of witnesses who opposed continuance of controls upon fats and oils. I was in error in my statement when I said that only one witness opposed continuation. Upon examination I find that there were three. One was Mr. Gordon, to whom I have referred. Another was the representative of the Armstrong Cork Co., who objected to the control of linseed oil. The third was a packer named Mr. Behrman. His objection was directed to the price of lard, and the fact that export controls had resulted in the retention in this country of too much lard.

Mr. HICKENLOOPER. I have been informed—although I have not the statistical facts to bear it out—that in this country we have a tremendous storage of lard and what we call fatback, from pork, and other food products which are being held in storage, far in excess of demand. I am informed that export licenses are refused for the export of such material, and that it continues to pile up. I understand that the storage space is full at this time.

Mr. COOPER. After Mr. Behrman testified I asked for statistics from the Department of Agriculture. I have the following information as to lard stocks, in millions of pounds, for certain prewar years. For the year 1935, as of June 1, 90,000,000; 1936, 100,000,000; 1937, 194,000,000; 1938, 124,000,000; 1939, 130,000,000. The amount shown in storage as of June 1 this year is 149,000,000 pounds, which is in balance with the amounts in storage in prewar years. I think the objection grew out of the fact that the price of lard had dropped from about 30 cents a pound to 19 cents a pound. However, it is still much higher than it was before the war. I talked with representatives of the Department of Commerce after this testimony was heard, and the impression I gained was that export controls upon lard would be relaxed so as to permit a larger amount to go out of the country.

Mr. HICKENLOOPER. Mr. President, I thank the Senator for this information, but I am of the impression at the moment that in the prewar years we had a surplus of lard which caused the continuing mounting supplies. We did not have sufficient outlets for the lard or for the fat portions of the hog. At the present time, according to information which I have just received, we have a vast demand all over the world for fats of this kind, not only for lard but for the fatty parts of the hog carcass, and the controls are being so exercised that the products cannot be taken out of storage and shipped abroad, even though there is a great demand and even though we have an excessive amount in this country over and above our needs or reasonable demands. I do not have all the statistical facts to enable me to go further than to say I have been informed that that is the situation.

Mr. COOPER. I will say to the Senator that all the information I have is that which I have given.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. TAFT. Does not the Senator think that it is a peculiar policy to refuse exports of lard, a commodity so badly needed? I am told that British and Scotch sailors coming to this country take back large quantities of lard bought in the stores in New York, because it is so much in demand, yet at the same time we impose import controls in this country on other kinds of fats and oils which apparently they are not so anxious to obtain. It seems to me that we ought to release our export controls and not try to impose import controls in the United States. Let us buy the things that are available around the world and then be more liberal in letting others buy things in this country which they can buy. I do not understand the logic of the fats and oils situation in the United States today.

Mr. COOPER. The Senator was out when I addressed myself briefly to the

question which he had previously asked. My opinion about fats and oils is based upon the following facts: I stated that from the evidence we had heard there is a tremendous shortage of fats and oils in the world. This country is producing about 95 percent of the volume it needs for domestic consumption. We are actually exporting 325,000 tons of edible oil. There is a surplus of edible oil. There is a shortage of nonedible oil, and we are importing 375,000 tons of nonedible oil. The argument is made that if import controls are lifted it will permit this country to capture with its dollars the short supply of oils that are free in the world and thus make the condition of other countries with respect to need of fats and oils even more difficult.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HICKENLOOPER. Is it not a fact that part of the program is to place dollar exchange in the hands of other nations of the world, and if we increase our purchases of nonedible oils which we need, would we not increase the dollar exchange in the hands of some other nation?

Mr. COOPER. We would; and I will point out some of the nations whose dollar exchange would be built up. Among them would be Argentina, Spain, and Russia, who have dollar exchange and products we need. At the same time we would be depriving such countries as France, England, Italy, the occupied zones, and other countries needing fats and oils, of supplies they can now receive.

Mr. HICKENLOOPER. If the Senator will yield again, this information has come so recently that I cannot document it at the moment, but if we have 140,000,000 pounds of fats or lard on hand, or whatever the amount may be, it is greater by a considerable amount than the prewar storage. I cannot see why we cannot release a substantial amount of it and send it especially to those countries which are short in their diet and those which need edible fats and oils. I cannot follow a policy that clamps on export controls at this time, when the commodities are merely taking up storage space in this country, and could be used abroad to great advantage.

Mr. COOPER. I think the Senator is speaking of the administration of the law. The export of lard is permitted. The trouble lies in the fact that not enough lard is being exported. That is the complaint. It is a matter of administration. We are informed that the exportable quotas of lard are being increased. I certainly believe that reasonable increases should be made.

Mr. HICKENLOOPER. I think it would be encouraging if we did that. Whether it is the administration of the law or not makes little difference. Edible fats thus far have not been getting to the people who need them. We could send them at least the surplus.

Mr. COOPER. I have pointed out that the cold-storage holdings on June 1 of this year are in line with cold-storage holdings in the years before the war.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. TAFT. They are not particularly in line. They are larger than in any prewar year except 1937, when there was a tremendous surplus of everything, because there was another depression. They are actually abnormally high. Yet we hang onto them. We say we will restrain ourselves from buying inedible oil, which is used for soap or some other purpose. Our restrictions on oils apply almost entirely to inedible oils. We are limiting countries as to inedible oils.

Why single out oils? Why not meats? Why not restrain ourselves from buying meats from Argentina or anywhere else in the world? Why this peculiar rule about the imports of fats and oils and linseed oil? There is a shortage of paint in the country. Why should we refuse to permit the importation of linseed oil which people want to buy in order to build houses in this country? I cannot understand the logic behind the present policy of the administration on that question.

Mr. COOPER. In answer to the Senator from Ohio as to the amount of lard in storage, he will note that the average for the years I have given was 142,000,000 pounds as against 149,000,000 pounds this year.

Mr. TAFT. But this is a time when the whole world is short of fats. Our stocks are down to the very limit in every respect, but still there is a tremendous surplus of lard, larger than in the 1930's, except in 1937, when there was a large surplus.

Mr. COOPER. I will agree with the Senator that the holdings on June 1 were too high, but I do not see that that is an argument for the removal of export controls on lard. I think it is an argument for loosening up export controls on lard.

Mr. TAFT. My suggestion is that if we did not make imports, then the administration would be forced to be more liberal as to exports; and the result would be to take things where they were wanted instead of where some official of the Government seemed to think they ought to be. That is my reason for saying that we should take off the controls on imports. I think that will lead necessarily to a more liberal handling of export controls. I am afraid that export control is necessary. I agree with the Senator on that.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. COOPER. I should like to answer the Senator's question first.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. COOPER. I think all import controls on fats and oils should be continued for the present. I base my position on the ground, first, that there is a tremendous shortage of fats and oils in the world. Allocation of the available export surplus of the world has been made. If import controls were removed, it would mean that this country, with its supply of dollars, could capture the supply of fats and oils that are needed in needier countries throughout the world.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. TAFT. Is it not true that most countries impose export controls anyway? Are not there only a few countries where we could buy without regard to such controls, and where we have always bought before?

Mr. COOPER. We can buy from Argentina and Spain.

Mr. TAFT. Yes, and from the Philippines and a few other countries; and the supplies we would obtain from them would add particularly to our requirements, and would not interfere with the efforts of other countries to obtain the fats and oils they need.

Mr. COOPER. I do not think so, because in Argentina a certain amount of fats and oils can be exported, and that amount is free to the world now. If we were permitted to obtain as much as our dollars would permit us to purchase, the probability is that we would obtain the full supply, or most of it.

Another consideration is that if we are to follow a system of equitable distribution of the available supplies of food in the world, then to some extent, at least, we shall have to follow our commitments with the IEFC. The evidence indicated that it is very difficult to secure commitments by the various countries; and if we are the first to disregard our commitments, I doubt that in the future we would have much success in securing agreements for the equitable distribution of food in the world. I think it to be a very important consideration that we abide by our commitments.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. JOHNSON of Colorado. In order better to understand the workings of the bill, I should like to ask the Senator how the exportation of beans is to be controlled under the pending measure. In other words, under the present arrangement, the Department of Agriculture determines the amount of beans that we can export, and then the Department of Commerce issues licenses to the shippers. The State of Colorado produces a considerable quantity of beans. Our difficulty is in regard to the allocation of the licenses. We find that when we apply for the right to export beans, we are told that we do not have a traditional, historical background, and that shippers in some other part of the United States have established their right to ship beans; and therefore they get that right, and we do not; we are denied a license.

How is that matter to be handled under this bill? Is there to be any change in that procedure?

Mr. COOPER. I stated a while ago that no attempt has been made in this bill to prescribe the details of administration. We believe that the first question is one of policy, namely, whether the controls should be continued. Having decided that export controls should be continued, it seems to me it is the responsibility of the Government in exercising the power to see that it is exercised fairly and equitably. I do not see how it would be possible under a bill to set up quotas as between various types of exporters, and to provide for all the

details. It seems to me that we must place that responsibility on some agency of the Government, and then must see that the responsibility is properly carried out. There is no excuse for the failure of any agency of the Government to discharge its responsibility.

In our report we call attention to the problem to which the distinguished Senator has referred, and we suggest that efforts be made to correct the situation and provide a more equitable system of licensing.

Mr. JOHNSON of Colorado. Then the answer is that there has been no change in the procedures in regard to the exportation of such commodities as beans?

Mr. COOPER. Not so far as the bill provides.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. THOMAS of Oklahoma. I should like to say to the Senator from Colorado that later on I shall introduce an amendment in an attempt to remedy the defect which he has pointed out.

In the 1944 reconversion bill there is a section which the courts have held to be good, but the Office of International Trade refuses to abide by that section of the law, and claims that it is not bound by it.

At the proper time I shall offer an amendment incorporating in this bill subsection (b) of Public Law 458, known as an act to amend the Social Security Act, as amended, relating to the Office of War Mobilization and Reconversion. I am simply trying to carry forward in this bill what is in the law in another place, and it should have uniform application.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. COOPER. Mr. President, first I should like to submit some amendments to the committee amendment. I send them to the desk, and ask that they be stated.

The PRESIDING OFFICER. The first amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 6, line 9, after the date "1947", it is proposed to insert "and Public Law No. 145 approved June 30, 1947."

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Kentucky to the committee amendment.

Mr. COOPER. Mr. President, the first amendment I have submitted to the committee amendment merely takes into consideration the resolution which was passed a few days ago, extending controls until July 15. The purpose of this amendment to the committee amendment is to prevent any hiatus or lapse of controls under that resolution and until the enactment of this act.

Mr. O'MAHONEY. Mr. President, before we proceed to the consideration of amendments, I think a little opportunity should be afforded to some of the Members of the Senate to discuss the bill in general. I wished to ask the Senator from Kentucky some questions during the presentation of his outline of the bill, but it was his desire to be permitted to complete his statement without interruption.

Therefore, before we proceed to the amendments, I should like at this time to address one or two inquiries to the Senator from Kentucky.

The PRESIDING OFFICER. Does the Senator from Kentucky yield for that purpose?

Mr. O'MAHONEY. Mr. President, it is not a question of yielding. I wish to have the floor in my own right.

The PRESIDING OFFICER. The Senator from Wyoming has the floor in his own right. The Chair was merely making inquiry of the Senator from Kentucky as to whether he wished to yield so as to answer the questions of the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, let me say that if I have the floor the Senator from Kentucky cannot yield. He may answer or not answer, as he pleases, the questions I ask. Of course, I am sure he will answer my questions.

The PRESIDING OFFICER. That is exactly what the Chair was trying to determine for the Senator from Wyoming.

Mr. O'MAHONEY. Very well.

Mr. President, I merely wish to obtain a precise understanding of what we are doing when we pass this bill. I point out that when I came to the Senate this morning to listen to the discussion of this bill I first sought to obtain a copy of the hearings, but I found that no printed hearings were available. Therefore, it was impossible for any Member of the Senate who was not a member of the subcommittee, or who did not attend the hearings, to know what was said by any of the witnesses, either for or against the bill.

I then sent for the transcript of the hearings, which was received only a few moments ago.

I feel that the country should have the advantage of having printed hearings available because this bill is of tremendous importance. It deals with the vesting in the executive branch of the Government of control over the activities of its citizens who are engaged in the export and import of necessary commodities, and therefore it deals with the interests of every citizen of the country with respect to commodities which are to be controlled. Its economic effect is very broad.

I feel that the Senator from Kentucky [Mr. COOPER] is entitled to a great deal of praise for the close study he has given the measure. I have followed with much interest his exposition of what is sought to be done. He displays great familiarity with the problem, and I have nothing but praise for him. Nevertheless, the matter is of such great importance that I hope the committee will undertake to see that these hearings are printed, because otherwise the debate which is taking place here will be inadequate information to the people of the country with respect to what we are doing.

Let me say, for example, in one particular, Mr. President, the impression prevails in a great many quarters, if one is to judge from editorial comment in the press and on the radio, that the exports which the United States is making are being made by the Government as an exporter. A case in point is the recent publicity with respect to the exportation of petroleum to Russia. The very definite impression was conveyed in the public press that the Government of the United States, as a government, was giving or selling oil to Russia in pursuance of some Government policy to aid the Soviets, whereas the fact is that whatever oil was exported to Russia is being sold to the Russian purchasers—and that, of course, means the Government of Russia—by the private producers of petroleum products in this country and not by our Government. Petroleum has been purchased in California by the Russians for a long period, from private producers of petroleum, from private refiners, not from the Government of the United States; and whatever petroleum is exported to Russia now is being exported by private enterprise. The control which will be exercised under this bill will be a control of the right of individual free enterprises to export their own products.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Wyoming yield to the Senator from Illinois?

Mr. O'MAHONEY. I yield to the Senator.

Mr. LUCAS. I am glad the Senator has brought out the point with respect to petroleum, because, just recently, I read an article in one of the newspapers, in which the writer made the statement, or at least made the implication, so that anyone reading the article would infer, that the Government, with respect to oil now going to Russia, was doing the same thing we did previous to the war with respect to scrap iron and oil that we sent to Japan. Of course, the Senator knows that up to the time the Government finally stopped the selling of scrap iron and oil to Japan, it was purely a question of contracts between individuals and industries in this country and the people of Japan. It represented the working of free enterprise.

Mr. O'MAHONEY. Precisely. If anybody was to be blamed for the export of scrap iron to Japan, it was those persons who gathered the scrap iron and sold it; with this exception, that if as a matter of public policy the people of the country had come to the conclusion that the exportation of scrap iron to Japan should be stopped, then it was necessary for the Government, through Congress, to pass a law forbidding its nationals to engage in a trade in which they were normally entitled to engage. So, when we undertake now to say that oils shall not be exported to Russia, it ought to be clear in the public mind that what we are doing is to empower the Government to regiment American exporters. I use the word "regiment" because there has been so much criticism abroad in the land about what we call Government regimentation. It is regimentation, of course, when the Government of the United States or any government undertakes to prevent its citizens from following any course of activity which under

a normal economy they are entitled to pursue.

During the war, because it was necessary for us to conserve all commodities that were usable in the war, we imposed export controls; but the War Powers Act, which was extended by the last Congress in certain limited ways, now results in controls over less than 20 percent of the commodities which were controlled during the war. When we extended this act last year, it was extended for the express purpose of enabling the Government so to manage our export trade as to conserve our own production and bring back to the United States commodities that were essential to the carrying on of our domestic economy.

Let me give an example with respect to the motor car industry. All the automobile manufacturers of the United States agree today that they are incapable of turning out automobiles enough to meet the current demand. We are falling short of the domestic demand for automobiles probably by several million units. One of the reasons for this lack of production of automobiles is the shortage of lead and tin and antimony, to say nothing of steel. Export control therefore gives the Government bureau in charge of the matter the opportunity to grant exports to those countries which are most likely to produce the commodities which we need. We need tin from the Malayan area, and so we grant exports to Malaya in order to get back the tin which is produced there and which we so badly need. It is better to export, in other words, our commodities out of our limited supply—and it frequently is limited—to the countries which can produce a commodity of which we find ourselves in great need. That is the principle upon which this act has been operating and on which it will continue to operate if extended.

In section 3 of the bill, on page 7, there are listed several of these commodities of which I speak—tin and tin products, manila fiber, antimony, and so forth. If for example we are able to export food or clothing to an area which is producing any of these materials of which we are in great need, that is to the advantage of the United States, and its general economy.

The Senator from Pennsylvania very correctly pointed out, and I think his memorandum is in the report, that one of the reasons why we in the United States now are in danger of a shortage of petroleum and petroleum products is that we are lacking in the steel with which to provide the facilities for transporting petroleum and for storing. If we could increase our steel production capacity—and it is being somewhat increased, I understand—then it would be much easier for us to obtain our petroleum supplies from our own domestic resources within the United States.

The important fact, Mr. President, to which I desire to draw the attention of the Senate, is that which I mentioned first, namely, that when the Government of the United States, even with this law in effect, permits the export of any commodity it is permitting American citizens to sell their own property abroad, and when it prohibits exports of any commodity whatever, then the Government of the United States is prohibiting American citizens from selling abroad commodities which they own. That is, of course, an example of the managerial concept of government, but it cannot be avoided, because if we did not clothe the Government with these powers, then the higher world price, the inflationary conditions which exist abroad, would draw inevitably a larger proportion of our production out of the domestic market away from citizens here, and thereby would increase the prices we have to pay.

For that reason, Mr. President, again I say I compliment the Senator from Kentucky on the presentation he has made. I feel that the extension of the act for another year is essential. If we can set any standards in the bill by which the discretion of the Administrator can be controlled, so much the better. But the country ought to understand and the Congress ought to understand that these exports which are going abroad are not the exports of the Government making gifts to foreign countries.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. JOHNSON of Colorado. I should like to ask the Senator if he can think of any remedy for the situation I shall describe. In Wyoming and in Colorado there are many persons engaged in growing beans. They have them ready to market. They find a ready and anxious market in Cuba for their beans. But when they try to secure a license to ship the beans which they have produced they are confronted with the reply, "Well, some broker in New Orleans," or in some other seaport, "has been shipping beans. He shipped beans to Cuba prior to the war. Therefore we are going to give him the license to ship beans, and we shall deny it to you." Is there any way out of that dilemma? It seems to me that to hold the exportation of any commodity down to an historical exporter is doing an injustice to some sections of the United States, and a very serious injustice has been done to the bean merchants and the bean producers of the States of Colorado and Wyoming.

Mr. O'MAHONEY. The Senator from Colorado is quite right. I think the committee in reporting the bill has criticized the application of that historical basis. But it is a theory which has been applied in other fields. For example in the Sugar Act the quotas for each producing area were based largely upon the history of the respective areas in the production of sugar, but we have always fought to preserve a leeway so that new producers might be recognized. I think it would be very well to add to the bill an amendment which would direct the Administrator, whoever he may be, that in the application of this historical theory, provision should be made for the recognition of the right of new producers of any commodity to export it. I think it would be a very simple matter. I ask the Senator from Kentucky if consideration was given to such an amendment by the committee.

Mr. COOPER. During the testimony a great deal of testimony was directed to criticism of the arbitrary division of 85 percent of controlled exports to historical exporters and 15 percent to new exporters. First, I believe that there are court decisions to the effect that such arbitrary divisions are illegal. For this reason, and for the further reason that it is a question of administration, we do not attempt to provide in the bill that any change shall be made in the 85–15 percent ratio.

Second, the following facts were brought out in the hearing. In this year it is estimated that exports will approximate $15,000,000,000 to $17,000,000,000 in value. Controlled exports will amount to about $4,500,000,000. There is a field between the $16,000,000,000 and the $4,500,000,000 of approximately $12,000,000,000 of exports which new exporters can enter if they desire. The proof we heard in committee was to the effect that the new exporters would not go into the field of uncontrolled exports because it is one of keen competition, where profits are not certain. It was stated that the new exporters want to go into the field of controlled exports where the profit is certain and sure.

Mr. O'MAHONEY. The Senator may have read in the current press the story which is now being published concerning the mule buyers who were seeking to buy mules in the United States to export to Mexico. After they had expended considerable sums out of their private capital to buy mules they suddenly found that the Government of Mexico had made an exclusive contract with a particular mule dealer, so their purchases were no longer available to them for profit, because the Government of Mexico would not purchase from them. That is precisely the same situation as exists here, except upon the other foot, because, unless an export license is granted by the Government of the United States, no exporter may sell abroad, whether or not he has a market, and the historical theory has resulted in the fact that only those persons who in some period in the past were engaged in the export business are given the license to export now. That, of course, creates a closed economy and prevents new owners, new producers from coming into the market. Therefore it seems to me there ought to be a provision directing the administrators of this act to recognize these new domestic sources of production which make application for export licenses. It should not be within the exclusive jurisdiction of any administrative official to exclude from export any citizen of the United States who possesses a commodity which is in demand abroad.

With respect to the question of the Senator from Colorado [Mr. JOHNSON], it is my understanding that no export license is now required for the exportation of beans, so that our Colorado and Wyoming producers are not being restrained.

Mr. JOHNSON of Colorado. Mr. President, that clears the matter up. However, the able Senator in charge of the bill [Mr. COOPER] said a moment ago that no changes in procedures in the exportation of beans have been written into the pending measure. The Department of Agriculture classifies beans as grain. The world trade refers to beans as "pulses," which is an old trade name for

beans, however, so far as this bill is concerned, beans are grain.

Mr. COOPER. Mr. President, I agree that there is evidence of abuse in the division of exports between historical exporters and the new exporters. But the argument was made that the historical exporters are those who exported before the war and who will continue to export when the present extraordinary situation is ended. They are the ones who have built up trade in foreign countries. They have trade names which have brought business to our country. I do not think there is any question that some of the new exporters will remain in the business only while the business is good. The proof offered before the committee indicated that some are in the business for quick profits because they refuse to enter the field of uncontrolled exports where they must face keen competition. They want to stay in the field of controlled exports where the profit is sure. We believe, however, that the entire situation should be reviewed and the most equitable plan developed.

Mr. O'MAHONEY. Why should there not be a provision in the bill to the effect that not to exceed X percent of any commodity to be exported will be available to new producers or new exporters?

Mr. COOPER. Is the Senator suggesting that we should fix a ratio in the bill?

Mr. O'MAHONEY. Yes; I am asking why it should not be done.

Mr. COOPER. I would certainly be opposed to that, because I do not think we are in a position to determine any ratio between exports.

Mr. O'MAHONEY. Then the Senator recognizes, of course, that he is delegating to the administrative officials the right to determine from time to time who shall do the exporting. It may be that that is the policy which ought to be followed. I do not attack that policy, except to say that it does exclude certain producers in the United States. It may be that the authority ought to be completely discretionary. But we must recognize when we pass the bill that we are giving discretionary authority.

I agree with the Senator. I was a member of the Committee on the Judiciary in previous Congresses when this matter was under consideration, and it was the conclusion of our committee at that time that there was no abuse of the discretion. No abuses had been presented to the committee. Nevertheless, we are now out of the fighting war, and we are endeavoring to get back upon a peacetime basis. So the more we do to return to normal practices of trade in the export business the better it will be.

The Senator from Oklahoma [Mr. THOMAS], I understand, is going to offer an amendment which has to do to some extent at least with this subject.

Mr. COOPER. I thank the Senator from Wyoming for his remarks.

Mr. O'MAHONEY. The Senator agrees, does he not, with the correctness of my statement that the controls which are imposed by the bill are controls upon private citizens of the United States in the exercise of their right to export property which is in their care?

Mr. COOPER. I think it is a very lamentable fact that the Senator's statement is true. I think it is a control upon the economy. I think it is, in effect, a price-control system.

Mr. O'MAHONEY. And that the exportation which is allowed under the provisions of the bill is the exportation in major part—except by Federal agencies like UNRRA and the others when they were in existence—by private citizens of their own commodities? Is that correct?

Mr. COOPER. It is a limitation on all the commodities exported from this country.

Mr. MAGNUSON. Mr. President, I simply want to point out to the Senator from Wyoming that what he said regarding the abuse of the licenses is correct. One of the reasons which actuated the Senator from Kentucky in taking the control out of the Department of Commerce and setting up a separate administrator and placing discretion within that administrator, requiring him to report to Congress and to the President, was the hope that there would not be the abuses which now exist.

I do not know whether the testimony will show it or not, but many exporters, and many who are not exporters, obtained licenses and peddled them. It became a racket. They would obtain a license, for example, to export 20,000 cases of salmon. They would hold them as long as they wished. They would hold them until the price was right and they could make the biggest margin of profit. Although we cannot set a fixed formula, it was hoped that by placing the control under a separate administrator, a better result could be obtained.

Mr. O'MAHONEY. That abuse is an abuse by the exporter, and not by the Government.

Mr. MAGNUSON. That is correct.

Mr. O'MAHONEY. It would be perfectly simple to provide by an amendment to the bill that an export license which was not exercised within a given period should lapse, so that thereby it would be impossible for any person to whom a license was granted to sell the export license for a speculative profit. If the Senator was a member of the committee, I suggest to him the consideration of the submission of such an amendment.

Let me also add that the establishment of a single administrator raises in my mind the question whether or not that might have the effect of impeding the carrying out of these powers by placing in the hands of one administrator powers governing industrial exports as well as agricultural exports. I think, for example, that control over agricultural exports may well be carried on by an official in the Department of Agriculture, because the Department of Agriculture, in reason, is better qualified to know what the food situation in the world is; whereas, with respect to industrial products, it might be wiser to have the control in the hands of someone in the Department of Commerce.

I merely make the suggestion. No doubt it will be discussed when the amendment is proposed. If I correctly understood the Senator from Kentucky, it is his purpose to offer a modification of the committee amendment with respect to the Administrator. Am I correct?

Mr. COOPER. The Senator is correct.

Mr. MAGNUSON. It was a most difficult thing, of course, to lay out a blueprint as to what amounts should be for new exporters. So it was thought that if we placed responsibility on one man and give him wide discretion, we might clean up some of the existing evils under the present system.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER] to the committee amendment.

Mr. REED. Mr. President, I ask the indulgence of the Senator from Kentucky and of the Senate. I have a very brief amendment to offer, and would like to have the Senator from Kentucky give it his immediate consideration. I am chairman of the Independent Offices Subcommittee of the Committee on Appropriations. I have a controlling appointment at 2:45. I send to the desk an amendment which I wish to offer, and ask that it be stated.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 8 in the committee amendment, between lines 3 and 4, it is proposed to insert the following new paragraph:

(7) The use of transportation equipment and facilities by rail carriers, but only until January 31, 1948.

On page 8, line 17, it is proposed to strike out "or be construed to continue beyond June 30, 1947, any authority with respect to the use of transportation equipment and facilities by rail carriers."

Mr. REED. Mr. President, the purpose of the amendment, which I have discussed with the Senator from Kentucky, is to extend the powers of the Office of Defense Transportation until January 31, 1948. Normally I would be most reluctant to extend these war powers. The thing which makes this amendment desirable—and, in fact, necessary—is the tremendous shortage of freight-car equipment. The whole Nation was aware last year of the shortage of freight cars, especially boxcars. The situation this fall will be worse than it was last fall.

The only purpose of the amendment—which, I may say, was asked for by the President of the United States and the Interstate Commerce Commission—is to keep the Office of Defense Transportation in a position where it can act speedily if the allocation of an insufficient and inadequate supply of freight equipment.

I hope the Senator from Kentucky will accept the amendment.

Mr. COOPER. Mr. President, so far as I am concerned, I accept the amendment.

The PRESIDENT pro tempore. Does the Senator from Kentucky withdraw his amendment temporarily, so that the Senate may consider the amendment offered by the Senator from Kansas?

Mr. COOPER. I withdraw my amendment temporarily.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. REED] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. SALTONSTALL. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. Does the Senator from Kentucky continue to withdraw his amendment for the purpose of considering the amendment of the Senator from Massachusetts?

Mr. COOPER. I withdraw my amendment.

The PRESIDENT pro tempore. The amendment offered by the Senator from Massachusetts will be stated.

The CHIEF CLERK. On page 7 in the committee amendment it is proposed to strike out lines 3 and 4, as follows:

(2) Manila (abaca) fiber and cordage and agave fiber and cordage.

Mr. SALTONSTALL. Mr. President, this amendment is on page 7, and it strikes out subparagraph (2), the words being "Manila (abaca) fiber and cordage, and agave fiber and cordage."

This amendment was adopted in the House in a bill similar to the bill which we are considering at this time. As I understand, there was considerable uncertainty in the minds of the committee as to whether or not manila fiber and cordage should be included in continuing controls. My purpose in offering this amendment is to relieve these raw materials from further control by the Government.

My interest arises because the largest manufacturer of baler twine is in Massachusetts. The same manufacturer is the second largest maker of binder twine and the largest manufacturer of rope in the country.

As I understand, the situation at the present time is that the Government has continuing controls on the purchase of raw fiber from Mexico and from Haiti. It has freed from controls the purchase of fiber in Portuguese East Africa and the Philippines.

What happens is this: The fiber which comes in from the Philippines and from Portuguese East Africa free from control can be used for any purposes for which the manufacturers desire to use it. The fiber which comes in from Mexico and Haiti is brought in by the Government and allocated to the various manufacturers. The control of the end products of those manufacturers is exercised by the Government.

The interest that we all have so far as twine is concerned is in the question whether or not the farmer will get all the baler and binder twine he needs. I point out to the Senator from Kentucky and other members of the committee that the twine for farming purposes for the calendar year 1947 is already made. The only effect that continuing controls can have with relation to binder twine and baler twine is with respect to 1948.

As I understand, the Government wishes to continue the control of imports from Mexico and Haiti until December. If that is permitted, then the question of next year's binder twine and baler twine will be involved in Government controls.

The largest customer of the cordage companies is the farmer. The cordage companies have never failed to supply enough baler and binder twine, except in the year 1945, when the purchase of the raw materials and the allocation of such raw materials to end products were completely in the control of the Government. Since 1912 the farmer has had all the baler and binder twine he needed for his purposes.

There is another reason for removing these controls at this time. As I understand, the purchase of these raw materials in Mexico by the Government is at a floor price. What happens is that other countries come in and overbid us in Mexico, so that we are losing a certain amount of the fiber which would otherwise come into this country for purposes of manufacture.

Another reason for eliminating the controls is that there is no control over the import of the finished products from other countries. Mexico, let us say, makes a finished product and sends it to the customers of companies in this country which cannot obtain the raw material to compete with the Mexican product.

If there were any danger, or if there were a fear in the minds of the people who manufacture this twine that the farmer would not get his twine this year or next year, then certainly, as one Member of the Senate, I would not promote the elimination of restrictions on manila fiber. But, as I have pointed out, the farmer is the best customer of the cordage companies. The cordage companies have always provided twine for baler and binder purposes, except during the war, when the Government was completely in control of the raw products and the allocation of the end products.

I hope, Mr. President, that the amendment will be agreed to, and that these fibers will be eliminated from further control by the Government.

Mr. LODGE. Mr. President, I rise for a moment to support the amendment which has been proposed by my colleague, and I should like to read some excerpts from communications which have reached me from manufacturers engaged in the manufacture of binder twine and baler twine in Massachusetts.

E. W. Brewster, of the Plymouth Cordage Co., makes this statement:

We understand has been urged controls necessary to secure adequate supply binder twine and baler twine, but our opinion of whole industry, as stated to OMD (CPA) meeting last month, is that adequate supply these twines and rope too better assured if we have immediate return to normal private competitive operation.

Mr. Edwin G. Roos, vice president of the Plymouth Cordage Co., has this to say in a letter which he wrote to me under date of March 5, 1947:

The personnel of the CPA and its predecessors, WPB and OPM, handling cordage affairs have done, in our opinion, an extremely fine and fair job. The present personnel of CPA has done a remarkable job. At the same time, we feel that our company and our industry have cooperated with the Government's efforts regarding the control of cordage and cordage fibers, and there were very good reasons during the war why such controls should have existed.

However, the war is over, and while there is a world hard-fiber shortage, we are definitely of the opinion that we could move around in free enterprise with a better result to the United States economy than we can under a continuation of controls.

Just as an example, commercial tying twine, prewar, represented an annual volume to the United States cordage industry of between sixty and ninety million pounds—a sizable volume for our industry. During the war, in order to divert fiber and labor into the necessary amount of rope for the armed forces, WPB directed all United States cordage manufacturers to cease the production of tying twine after September 30, 1942. This was a decision in which we, of course, concurred.

The controlling CPA order under which we are operating today is M-84. M-84 still denies United States cordage manufacturers the right to produce tying twine.

However, foreign countries where fiber is produced—principally Mexico—are using hard fiber in the production of tying twine and importing it into this country at a rate that is approaching the United States industry's prewar production rate, and M-84 has no control whatsoever over the use of such twine once it is brought into this country. You can imagine the position we are in with our United States distributors, to whom we have not been able to supply this product since September 30, 1942, and to whom we must sell our other cordage products within M-84 controls, when they can buy Mexican-made twine and use it for any purpose whatever with M-84 controls not in any way applying to the imported product.

I have read those two excerpts to show that we are facing a set of conditions today which were not in existence and not at all contemplated when these controls were put into effect. As these communications show, the controls were justifiable, beneficial, and, in fact, necessary during the war, but I believe the time has come to return this particular type of materials to free enterprise. I am convinced in my own mind that there will be an ample supply of these commodities for those who consume and use them in this country. I think the figures which have been compiled by the industry are convincing. Moreover, it is an industry which has always kept faith with its customers and consumers, and has every interest in the world in so doing.

I hope, therefore, that the amendment may be agreed to.

Mr. KEM. Mr. President, I should like to associate myself with what has been said by the Senators from Massachusetts. I believe that, under present conditions, there is no sound reason for the continuance of Government controls so far as the acquisition of supplies of these materials is concerned.

I should like to read a telegram which I have received from Mr. F. J. Schnakenberg, manager of the St. Louis Cordage Mills, St. Louis, Mo. It reads as follows:

JUNE 25, 1947.

Hon. JAMES P. KEM,
Senate Office Building,
Washington, D. C.:

We understand Senate will tomorrow consider S. 1461 on continuation wartime controls. We request your aid in deleting from

this bill as amended the words "manila (abaca) fiber and cordage, and agave fiber and cordage." The problem of the industry is providing greater supplies of baler and binder twine for agricultural use. The industry's productive capacity is ample to take care of these needs and requirement has not been met only because public purchasing program has failed to provide the fiber required. After struggling for several months to purchase 75,000,000 pounds of Portuguese African sisal badly needed by the industry for baler twine production CPA a month or so ago gave up the job and authorized manufacturers to do their own private buying that fiber. On several occasions within the last 8 months we asked CPA for increase our baler twine quota, and each time this was denied with explanation fiber was not available. CPA was unable to procure sufficient supplies Philippine abaca and last November returned purchase this fiber to private manufacturers. Under private purchasing a much greater supply this fiber became available. Our Government has declined to halt importations of Mexican-made bundling twines while domestic manufacturers are prohibited from making such items. The refusal to permit such bundling twines to enter from Mexico would result in one or both of increased shipment of fiber from that country or shipment of baler twine from Mexico. In either event more binder and baler twine should result. We are convinced this country is losing too much hard fiber through public purchasing and that our industry will do a much better job on binder twine and baler twine if totally decontrolled than it can do under Government regulation. It is almost 2 years since the fighting stopped and it is time the Government cut us loose. Our industry did a wonderful job in the war years and is entitled to freedom of action.

ST. LOUIS CORDAGE MILLS,
F. J. SCHNAKENBERG,
Manager.

I hope the amendment proposed by the Senator from Massachusetts will prevail.

Mr. WHITE. Mr. President, will the Senator yield, to permit me to submit an amendment?

Mr. COOPER. I yield.

Mr. WHITE. I submit the amendment which I send to the desk, and I request its present consideration.

The PRESIDENT pro tempore. The amendment is not in order at the moment. The Senate has yet to vote on the amendment submitted by the Senator from Massachusetts.

Mr. WHITE. Then I ask that the amendment lie on the desk.

The PRESIDENT pro tempore. The amendment will lie on the desk.

The question is on agreeing to the amendment of the Senator from Massachusetts.

Mr. COOPER. Mr. President, the purpose of the amendment offered by the Senator from Massachusetts is to strike from control manila fiber and cordage. The argument advanced by the Government for the continued control of cordage was that it could direct its use for baler twine, binder twine, and rope.

I must say, in honesty, that in the light of the proof developed in the hearings, it was my opinion that there was a sufficient supply of fiber to meet the demand, after making sure there was enough for the farmers this year. If the Senator would withdraw his amendment, I should like to propose an amendment which would permit the Department of Commerce to allocate the supply now on hand or under contract so that there may be no question about the protection of baler and binder twine for the farmers. I understand it is limited to about 62,000,000 pounds, which they have contracted to purchase in Mexico and Haiti.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SALTONSTALL. The Senator from Kentucky has shown me his proposed amendment, which is to be offered in place of the one I offered. As I understand, his amendment simply permits the Government to allocate the amount of fiber it has on hand as of July 16, 1947, which amounts to approximately 62,000,000 pounds. That fiber must go into baler twine or binder twine, for use in connection with next year's crop, as I understand. The total amount of fiber used in the course of a year is somewhere between 347,000,000 pounds and 600,000,000 pounds. The amount involved is about one-sixth of the total amount used. I can see no objection to the amendment suggested by the Senator from Kentucky, and if something develops justifying opposition it can be stricken out in conference, because the House has eliminated this fiber from the bill in its entirety. I believe that the amendment is a good compromise, because it protects the farmer to the extent of 62,000,000 pounds, and it permits the Government to sell the amount it has on hand without going into competition with the various factories in the country. Therefore, if the Senator from Kentucky will offer his amendment, I will accept it.

The PRESIDENT pro tempore. The Senator from Massachusetts withdraws his amendment. The Senator from Kentucky offers an amendment in lieu thereof, which the clerk will report.

The CHIEF CLERK. On page 7, line 4, after "cordage", it is proposed to insert a comma and the following: "owned or contracted for by any agency of the Government on July 16, 1947, for the purpose only of establishing priority and allocation in the production of binder twine, baler twine, and rope."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER] to the amendment.

The amendment to the committee amendment was agreed to.

Mr. WHITE. Mr. President, I call up the amendment I have sent to the desk.

The PRESIDENT pro tempore The Senator from Maine offers an amendment to the committee amendment, which the Clerk will report.

The CHIEF CLERK. On page 7, line 5, it is proposed to strike out "and", and in line 18, after "export", to insert "and grains for the purpose of controlling the use thereof for distilling and brewing."

Mr. WHITE. Mr. President, I emphasize that I offered this amendment in behalf of my colleague, in his name and in his behalf. I think the amendment speaks for itself. It proposes to extend the controls on grain.

As I understand the situation, we exported during the last year something like 500,000,000 bushels of grain, one of the very staple products of America, and I think if there is justification for extending control over other commodities and certain foods that are referred to, there is justification for extending some degree of control, and the same character of control, over grain.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the committee amendment, submitted by the Senator from Maine.

Mr. TAFT. Mr. President, I think it would be a great mistake to adopt this amendment. There is no longer any allocation of grain. There is no longer any allocation of anything except a very few limited products. To provide that we shall have power to restrain, in other words, to limit, the amount of grain that can be used in brewing and distilling seems to me a tremendous mistake of policy. It involves a new, complete control of the grain industry and of what happens to grain. I do not think we should reimpose such a restriction.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Maine to the committee amendment.

The amendment to the amendment was rejected.

Mr. HAWKES. Mr. President, I send to the desk an amendment that would put quinine, cinchona bark, and quinidine under controls.

The PRESIDENT pro tempore. The Senator from New Jersey offers an amendment to the committee amendment, which the clerk will report.

The CHIEF CLERK. On page 7, between lines 5 and 6, it is proposed to insert the following:

(4) Cinchona bark, quinine, and quinidine.

Mr. HAWKES. Mr. President, the purpose of this amendment is to restore to the bill (S. 1461) controls over cinchona bark, quinine, and quinidine exactly as they were carried in the bill when it was passed by the House of Representatives.

In spite of my objection to Government controls and my deep-seated conviction that all wartime controls imposed on our free-enterprise system should be removed at the earliest possible moment, I am convinced that the further extension of these controls is imperative for humanitarian reasons.

Controls were originally imposed on these materials because of the critical shortage of supply resultant from the overrunning of the Indonesian Peninsula by the Japanese. Even though our armed forces freed this area and the Dutch have returned, they have not yet been able to restore peace and harmony in the East Indies, and well-informed individuals advise me that economic conditions in this area are unstable to the point that deliveries from Dutch sources, which have been estimated to be available during the coming year in the amount of 2,100,000 ounces of quinine, are unreliable. These deliveries, I am advised, are only tentatively promised by the Dutch cartel, and I have been unable to determine that there is any binding contract existing which will guarantee deliveries.

The committee report indicates that the over-all demand for 1947 and 1948

will amount to 1,200,000 ounces for malarial and other essential medicinal purposes, and 3,000,000 ounces for other purposes. To fulfill these demands, the report relies upon the delivery of the aforementioned 2,100,000 from the Dutch cartel, 250,000 ounces of Government stock in reserve, and 1,000,000 ounces of Army surplus. The net effect of these Government estimates shows a deficit of 850,000 ounces of quinine for the period.

Industry estimates, which I understand were provided by representatives of that part of the industry manufacturing proprietary products containing quinine, such as hair tonic and patent medicines used in the treatment of maladies less serious than malaria, include 500,000 ounces more from the Dutch cartel than the Government estimates. In addition to this, these industry sources estimate that only 900,000 ounces will be required for antimalarial use, and only 600,000 ounces will be required for other industry uses. On the basis of the estimates from this section of the industry, therefore, the committee was advised that a surplus of 2,350,000 ounces would be available for the years 1947 and 1948.

Manufacturers producing only quinine for antimalarial uses have convinced me that the estimate provided by the proprietary-products industry is unsound, both from the standpoint of its reliance upon delivery from the Dutch cartel and from the standpoint of the relatively small demand for use in proprietary products.

I believe that the controls should be extended until the uncertainty now existent in connection with the ability of the Dutch cartel to deliver is removed. Further, I see no harm which can come from the continuation of these controls because the present allocation system can be broadened to include nonessential medicinal users, if larger supplies than are needed for antimalarial purposes become available. The importance of quinine in the treatment of malaria in the United States cannot be overestimated.

I quote a paragraph from a letter written by Dr. James A. Crabtree, deputy surgeon general, United States Public Health Service, to Mr. Irving C. White, director, Bureau of Industry Operations, Civilian Production Administration, under date of May 5, 1947:

> Most of the malarious areas of the continental United States are in the South and in rural districts. In these areas quinine has been the drug used for the treatment of malaria and sicknesses characterized by chills and fever for generations. To persuade the populace to change over to another drug or drugs would require an extended and expensive educational program. Only recently has atabrine been proven to be the equal of quinine as an antimalarial drug, so that many older physicians are not yet fully cognizant of its efficacy and many of them are very reluctant to use it, particularly against patient resistance. Probably the great majority of malaria patients are self-medicates, and such persons will not take readily to a new drug. Accordingly, the net result of impairment of the quinine supply might well be a material reduction in the number of cases of malaria treated.

There is certainly great difference of opinion among reliable individuals on this subject, but it seems to me that no harm can come from having this particular item under control for another year in order to assure the country of having the necessary amount of quinine to provide for all medicinal needs.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HAWKES. I yield.

Mr. LUCAS. Do I understand that the amendment the Senator from New Jersey has offered seeks to place quinine under control by the Government?

Mr. HAWKES. Yes; to place quinine back under control by the Government, where it has been.

Mr. LUCAS. In other words, the Senator is not seeking to take something out of the bill; he is seeking to place something in the bill which would place quinine back under control—that is, under so-called regimentation of the Government—for another year?

Mr. HAWKES. That is the idea exactly, because I feel the Government should have the power to see that there shall be the necessary amount of quinine provided for antimalarial purposes.

Mr. LUCAS. I want to congratulate my friend from New Jersey upon the very generous gesture he is making. I shall support his amendment. I think the country will be safe in view of what the able Senator is now proposing. I shall feel sure of the continued safety of the country any time I can discover that my good friend from New Jersey is going back to control.

Mr. HAWKES. I may say to the distinguished Senator from Illinois that I knew when he rose that he was going to say just what he did say. I may say further to the Senator from Illinois that whenever I see something which is of vital necessity for the health and welfare of the people—something which needs control—the Senator will find me voting for it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Jersey.

Mr. KEM. Mr. President, I am opposed to the amendment offered by the distinguished Senator from New Jersey. There is a considerable difference of opinion in the estimates made by competent observers respecting the available supply of quinine.

Mr. James H. Grove, president of the Grove Laboratories, Inc., of St. Louis, Mo., a large producer of quinine, appeared before the committee as a witness. Mr. Grove estimated that the maximum demand for quinine for antimalarial purposes for 1947–48 would be 900,000 ounces, and that the maximum demand for quinine for blended uses and industrial purposes, currently prohibited under the control order, would be approximately 600,000 ounces, making a total demand for 1947–48 of 1,500,000 ounces. With reference to supply, Mr. Grove estimated a total available supply for 1947–48 of 4,650,000 ounces, which would include an estimate of 800,000 ounces for the public purchase program and domestic processing of the South American bark. On the basis of the figures submitted by Mr. Grove, disregarding the possible 800,000 ounces from the South American public purchase program, the supply of quinine for 1947 would exceed the demand by 2,300,000 ounces.

Under those circumstances, Mr. President, if those figures are correct, and I have every reason to believe that they are, there is absolutely no reason for continuation of this control.

The Grove Laboratories have been engaged in the pharmaceutical business for many years. Mr. Grove is a well-known and highly regarded citizen of St. Louis. I have every confidence that he is informed and that his figures may be relied upon.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Jersey.

Mr. COOPER. Mr. President, in the hearings there was no question which developed as much testimony as the subject of quinine. I think there was more time spent in trying to find out what the situation was with respect to quinine than with respect to any other subject.

The figures we were able to secure were, to say the least, confusing. The Government's figures respecting the supply of quinine were twice revised. We had the same experience with respect to estimates of demand. On that subject the Government revised its figures. Finally it was the opinion of the committee that so far as supply and demand were concerned the supply was adequate to meet the demand. For that reason, we left quinine and quinidine out of the bill. Since that time persons who did not appear have written and sent messages to the committee, notably the Council on Pharmacy and Chemistry, the American Pharmaceutical Association, and the United States Public Health Service, particularly urging that quinidine be kept under control on the ground that it is necessary for the treatment of cardiac disorders. I will say frankly that from the confusing testimony we heard I am not able to give any accurate statement as to what the true situation is. I can only say that upon the proof we did hear there is no question in my mind that supply and demand are in balance.

The House left controls off with respect to stocks now in the hands of the Government. If the Senator from New Jersey will limit his amendment solely to stocks now owned by the Government, I will be willing to accept the amendment.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from New Jersey to the committee amendment. [Putting the question.] The "noes" appear to have it.

Mr. HAWKES. I call for a division.

On a division, the amendment to the amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 9, line 2, it is proposed to insert the following:

> (e) The executive agencies exercising control over exports shall permit the resumption or initiation of exports. Such exports shall be permitted regardless of whether one or more competitors were

normally engaged in the same type of business and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time.

On page 10, line 9, after the word "report", it is proposed to insert "within 30 days after each quarter."

Mr. THOMAS of Oklahoma. There are two amendments involved, and I am advised unofficially that there is no objection to the second branch of my amendment. I should like to ask the Senator from Kentucky if I am correctly advised.

Mr. COOPER. There is no objection to the second part of the amendment.

Mr. THOMAS of Oklahoma. I ask then that the second branch of the amendment be acted upon first.

The PRESIDENT pro tempore. The question is on agreeing to the second branch of the amendment submitted by the Senator from Oklahoma.

The second branch of the amendment was agreed to.

The PRESIDENT pro tempore. The question now is on the first branch of the amendment offered by the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. The first branch of the amendment seeks still further to outlaw a practice in international trade of using the historical record as a basis for export. The Congress heretofore has passed a law known as the War Mobilization and War Conversion Act of 1944. In that law the Congress enacted subsection (b) as a portion of section 203. Subsection (b) outlawed the program or policy of considering manpower on the basis of historical record. It outlawed the consideration of production on the basis of historical record. Likewise it outlawed the consideration of materials on the basis of the historical record. The administrative departments downtown refused to abide by the law.

I submit to the Senate two decisions of our courts. The first is in a case entitled *Moberly Milk Products Company* v. *Fleming, Administrator, Office of Temporary Controls, et al.* (69 Fed. Supp. 766). That case was passed upon by the district court, and later by the United States court of appeals. The court held that the Administrator of the Office of Temporary Controls was not justified in using the historical basis.

In that case a small concern had made an application for some sugar. It was marketing some kind of a product made from milk, and in order to place the product on the market it was necessary to have sugar. The Office of Price Administration refused to give the concern as much sugar as it thought it should have, whereupon it went into court and sought an injunction. The district court sustained the injunction. An appeal was taken to the circuit court of appeals, and the circuit court of appeals likewise sustained the injunction, which meant that so far as sugar rationing was concerned, the basis known as the historical record should not be governing.

The question has been before another court in another form, in the case of *Publicker Industries, Inc.*, v. *Anderson* (68 Fed. Supp. 532). This was a case brought in the district court in the District of Columbia. The company involved desired to use some grain, I presume in the manufacture of industrial alcohol. The Secretary of Agriculture refused to give it as much grain as it wanted, depending upon the rule known as the historical record basis, whereupon the company filed suit for an injunction, and the case went to court. The court sustained the injunction.

The court has passed upon the question, and the law is on the statute books. All I am trying to do is to reenact the same law with respect to exports. Under the present law the head of the Office of International Trade is restricting exports as he sees proper. Let me give an illustration in point.

My State is a large wheat-producing State. As a rule that wheat is processed in Kansas City. Not very long ago some youngsters in that trade territory obtained an order for 200,000 sacks of flour, to be delivered at Sao Paulo, Brazil. Believing that they could get the license to ship the 200,000 sacks of flour to Sao Paulo, Brazil, the order was placed by the Government of Sao Paulo, a State of Brazil. They had the money to pay for it. The Ambassador from Brazil made the application for the allocation and secured it. These youngsters, largely veterans, had the order to ship 200,000 sacks of flour to Sao Paulo, Brazil, on the order of the State of Sao Paulo. Not only did they have the order to ship the flour but they had the flour. It had been purchased at Kansas City. Thinking that they would have no difficulty in getting a license to ship the flour, having the allocation, they chartered a ship to carry the flour to Sao Paulo.

When they presented the application to the Office of International Trade they were told that because they were a new concern, not having a historical record, they could not secure a license to ship the flour with respect to which they had a contract, in a ship which they had chartered, which at that time was at Galveston. They could not get a license to ship the flour under this order. They did not get the license, and have not yet obtained it.

On the other hand, the officer in charge of the International Trade Organization proceeded to issue licenses covering the 200,000 sacks of flour to those having historical records. They had no orders, but they had the records, so he issued the licenses to them. They did not have the flour, and they did not have the orders. They could not sell it to Sao Paulo.

Such licenses have been discovered to be in the black market. Under the procedure now in vogue, licenses are issued and are for sale on the black market. Often the license costs more than the product.

I am offering this amendment to outlaw the policy of issuing licenses on the basis of historical records. I submit that so long as this policy is in vogue there is no opportunity for a new concern to get started. There is no chance for veterans to go into any kind of business in which they must have a historical record. They have been in the war. Many of them have just reached manhood, and desire to establish themselves in business. They have no chance to develop historical records. So long as this practice is followed, there is no chance for a youngster, a new company, or veterans, for that matter, to get these licenses, because they do not have a historical record, and they cannot develop one.

My amendment would simply provide that so far as exports are concerned, they shall not be based upon the policy of a historical record. Under my amendment anyone who could obtain business in a foreign country and could get an allocation from the Department of Agriculture could obtain a license. I am not trying to interfere with the control of exports. That subject is under the control of the Department of Agriculture. If it were proper to sell flour to Sao Paulo, Brazil, the Department of Agriculture would issue the allocation. In the case to which I have just referred, the Department of Agriculture did issue an allocation. There is no question about the need of the flour in Brazil. There is no question about it being for hospitals and eleemosynary institutions in Brazil. But the question arose as to who should ship the flour.

Mr. President, I submit the amendment on its merits, and I hope it will be agreed to.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. JOHNSON of Colorado. I think the Senator will find, if an investigation is made of some of those to whom licenses are issued, that they are mere brokers who have been engaged in the export business in years past as brokers. Now that they have a historical basis, producers and other merchants who would like to export are denied a license in favor of the brokers.

Mr. THOMAS of Oklahoma. The Senator is entirely correct. I am not trying to obtain an advantage over anyone, or take an advantage away from anyone. I am merely trying to provide by law that no agency of the Government shall have the power to say who shall have a license and who shall not have a license.

Mr. President, I submit the amendment on its merits.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. AIKEN. If there were an export quota of so many million barrels, and the shipments were not allocated, how would they be determined? Would the first one to make an offer have his offer accepted by the foreign government and get the order, and so on, until the total amount which was allocable to that particular country was exhausted? What would be the alternative?

Mr. THOMAS of Oklahoma. I think the case just referred to is a good illustration. The State of Sao Paulo, Brazil, has control of its eleemosynary institutions, asylums, penitentiaries, and so forth. Acting through the Ambassador from Brazil, it made application for an allocation of 200,000 sacks of flour. The Department of Agriculture saw the fairness and justice of the proposal and issued the allocation for the flour. Then

the Ambassador of Brazil made the contract to buy the flour from a concern in the West. That concern applied to the Department of Commerce for a license to ship the 200,000 sacks of flour which had been allocated by the Department of Agriculture. It was told by the Director that it could not have the license, and that if the flour were shipped to Brazil it must be shipped by those who had historical records. Because this particular concern had no historical record, it was limited to 5 percent. Then the Department issued a license for the 200,000 sacks of flour, but when the licensee desired to sell the flour to the Ambassador, he asked a higher price than the Ambassador had contracted to pay. He refused to pay the higher price, and to date the deal has not been consummated.

Mr. AIKEN. If the Senator's amendment were to be agreed to, a foreign country which is authorized to purchase flour—and I suppose other commodities—in this country would be permitted to purchase wherever it could get the best offer. Is that correct?

Mr. THOMAS of Oklahoma. This is the way the record stands: On one occasion Greece wanted some flour. The head of the department advised those interested that the purchasing agent for Greece had the power to name the person who should have the allocation and the license. On this occasion that policy was reversed. The department said "No; the agent purchasing the goods should not have the power to say who should have the license." The purchasing agent was the Ambassador from Brazil.

That is the practical way in which the system operates. It is all a matter of record, as appears in the House hearings on this same question.

Mr. AIKEN. I thank the Senator for his explanation.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MOORE. Am I to understand that this amendment would change the entire formula for the issuance of licenses? As I understand the formula, 85 percent is allocated to those with a historical record.

Mr. THOMAS of Oklahoma. That is simply a rule placed in force by the department having control of international trade. It is not a law.

Mr. MOORE. As I understand, this amendment would prevent that practice.

Mr. THOMAS of Oklahoma. It would. It would outlaw what is known as the historical record rule.

Mr. MOORE. It is only a rule.

Mr. THOMAS of Oklahoma. That is all. It is only a rule of the department.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. AIKEN. As I understand, the Senator's amendment would not affect the allocations for the various countries.

Mr. THOMAS of Oklahoma. No. We would still retain control over them.

Mr. COOPER. Mr. President, it seems to me that the instance mentioned by the Senator from Oklahoma is just another example of the abuses and inequities which always accompany any system of Government control.

The Senator himself has stated—and I think he is correct—that there is no legal basis for such a ratio being provided by the Department of Commerce. As I see the situation, prior to the enactment of the pending bill, if it is enacted, the applicant for a license had no recourse, because of the provision, that the Export Control Act was not subject to the Administrative Procedures Act which carried with it the right of appeal. Section 10 of the Administrative Procedures Act provides the right of appeal, and we have provided for the right of appeal in the pending bill.

I believe that the amendment is unnecessary. I do not think it should be in the bill. I believe it should not be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the first branch of the amendment offered by the Senator from Oklahoma [Mr. THOMAS] to the committee amendment.

The amendment to the amendment was rejected.

Mr. BUTLER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Nebraska will be stated.

The CHIEF CLERK. It is proposed to insert in the committee amendment, at the proper place, the following:

The sale of grain and grain products to foreign purchasers for export shall not be performed or conducted by any agency or department of the Government.

Mr. BUTLER. Mr. President, I have had a short conversation with the manager of the bill, the Senator from Kentucky [Mr. COOPER] a few days ago, but have not had an opportunity to talk with him today. I had hoped that he would have an opportunity to look over my amendment and see if he would be willing at least to take the proposed amendment to conference.

Very briefly, I should like to give the Senate an idea of the object of the amendment.

Among the 397 articles listed in the report by the Senator from Kentucky, which are subject to the law, if this bill is enacted, I believe there is but one that would be affected by this amendment, and that is the export of wheat. In dollars and cents it is perhaps the largest in the whole list. There are 45 or 50 large grain firms in the United States which are equipped to conduct export business. The Government agency which has been doing the exporting of wheat has purchased nearly all of its supplies from these different firms which ordinarily would be exporting in their own right. I do not believe it is treating the industry fairly when the business is taken over exclusively by a Government agency which certainly is not qualified to do a better job than could the private trade.

I should like to call attention to one part of the report which came to the Senate in connection with the extension of the Reconstruction Finance Corporation a few days ago, in which it was stated that the committee was strongly of the opinion that the Government should not engage in international trade operations whenever and wherever it is practicable to return these operations to private enterprise.

I submit to the Members of the Senate the fact that there is no question but what the grain trade is well qualified to conduct the export of wheat. The export of flour is now in the hands of private trade, as is the export of practically everything else on this list of 397 articles.

I do not propose to amend the bill with relation to the allocation rule. I believe that the Government, under present conditions, should maintain control over the amount of any commodity to be exported, for our own protection, but I think the export of the amount agreed upon could be left in the hands of private trade.

From page 32 of the report in connection with the bill which is under consideration I read as follows:

It is the opinion of the committee that the procurement of wheat should be returned to trade at the earliest moment. It is to be noted that Capt. Granville Conway, coordinator, emergency export programs, and president, Cosmopolitan Shipping Co., testified that it was his opinion that the trade could assume this responsibility and could exercise it more efficiently than the Government.

This covers the export of from 300,000,000 to 500,000,000 bushels of grain in the coming year. I think, conservatively stated, it will amount to more than 400,000,000 bushels.

Any agency which takes over the handling receives a commission of 1 percent. They also get a 1-percent commission for certain charges, such as elevator charges, and so forth. So the 1 percent is doubled, making it 2 percent. Why add 5 cents a bushel, which would be 2 percent on wheat, which is selling at close to $2.50 a bushel? Why add 5 cents additional cost to the consumer? It represents an increase of approximately $15,000,000 to $20,000,000, and it does no one any good, except that it gives that "scalp" to the Government agency which performs the service which the regular trade is well equipped to do without that additional charge.

I ask the manager of the bill if he is willing at least to take this amount to conference. If not, I should like to continue with a statement I have in connection therewith.

Mr. COOPER. For the reasons I have stated, I cannot accept it.

Mr. BUTLER. Then, Mr. President, I should like to make this statement in the hope that the Senate will place the amendment in the bill for conference.

As I have stated, with one purpose of the bill I am in agreement. That is the purpose of controlling and holding down the volume of sales to foreign countries of commodities which are in short supply in this country and very vitally needed by our own consumers. Without some restriction on such exports, it is clear that tremendous quantities of such vital commodities as tractors, fertilizer, and petroleum might flow abroad without restriction, creating shortages at

home. As I say, I am in agreement that restrictions on the volume of such exports should be continued. I believe this bill has been sold to the American public on the argument that that is the primary purpose and effect of the measure. However, far more than that purpose is involved in the bill.

Let me call attention to some of the provisions of the bill. First of all, let me invite the attention of the Senate to the declaration of policy. That paragraph sounds as if it had been written in the State Department. It says, for example, that it is our policy "to promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States." It does not say that it is our policy to promote the production in this country of materials critically needed here. Obviously, it is intended to expand production of those vital materials abroad rather than in this country.

Further on, it declares that our policy is "to aid in carrying out the foreign policy of the United States." Certainly we all want to aid in carrying out that foreign policy. I did not realize until now that that was the primary purpose of controlling exports. I had thought that the purpose of controlling exports was primarily to protect our consumers against shortages such as the gasoline shortage we are already experiencing in the Midwest from our heavy exports of petroleum and petroleum products.

Look a little further down the bill. Under section 3 it is stated that title III of the Second War Powers Act shall remain in force with respect to "such materials for export which are required to expand or maintain production in foreign countries of materials critically needed in the United States, for the purpose of establishing priority in production and delivery for export, and such materials which are necessary for manufacture and delivery of materials required for such export." Certainly we need no priorities in production and delivery for export in order to protect the American consumer. This is a paragraph to protect the foreign producer. This paragraph will be used to require the manufacture and require the export of machinery for the production abroad of anything from sugar to zinc, and thus give a foreign producer a competitive advantage over our own producer by expanding foreign production with the use of American machinery, probably purchased with American money.

Subparagraph 5 under the same section specifically gives authority for the priority of exports of nitrogen ahead of domestic allotments to the American farmer, and subparagraph 6 extends that export priority so that it can be applied to almost every material or commodity produced in this country.

We have swept away virtually all powers of priority and allocation for delivery to meet the needs of our own domestic consumers—in other words, as far as our internal economy is concerned. We still have pressing domestic needs, such as freight cars, housing, farm machinery, and fertilizer. As far as these domestic needs are concerned, we have removed the controls and placed our faith in private competitive enterprise. By the terms of this bill, wartime regimentation methods are retained, but not to meet our own needs—only the needs of the foreign country.

Naturally, the results of a measure like this will depend largely on the administration of the act. This bill proposes creation of a new office—the Administrator of Import and Export Controls. This official will have authority to administer the far-reaching powers granted by this act. Mr. President, in that statement I think the Senator from Oklahoma has the answer to how the question he asked today will be answered. All those questions will be answered by the administration that is appointed to look after this act. Only one real safeguard against the Administrator's abuse of those powers is provided by this bill. That safeguard is that he must be confirmed by the Senate. We can assume that the man appointed to this post will be someone hand-picked to place the demands of foreign claimants ahead of our own needs. If this bill is enacted, I hope that the Senate will scrutinize that appointment very, very closely.

Mr. President, I am stating my thoughts for the record in the hope that they may receive consideration in the conference committee. I regret that I did not take occasion to bring all these points to the attention of the Senator from Kentucky in my conference with him a few days ago, and I wish to assure him again that my comments are not intended to reflect on the splendid job he has done. Legislation of this type, granting general powers to an administrator whom we do not now know, is exceedingly difficult to draft. I have no doubt whatever that the Senator in charge of the bill is anxious to deal fairly with all interests concerned. I hope he will find it possible to consider my comments carefully in the drafting of a conference report. When the name of an administrator is presented for confirmation, I have no doubt the Senator from Kentucky will join with me and other Senators in considering most carefully the qualifications of the man selected.

Regarding the matters that I discussed with the Senator from Kentucky in our conference, I should like to bring them up at this time for the RECORD. I presented two particular problems to him for consideration. One of these dealt with the granting of export licenses to various individual exporters and the basis for dividing up the volume of authorized shipments among such exporters. That matter has already been covered by the amendment the Senator from Oklahoma has presented today. I pointed out that the present practice is to grant such licenses almost entirely to old, established firms, thus virtually cutting out any newcomers who might desire to enter the export field in that commodity. I had particular reference to the export of flour. I understand that the Senator planned to include in his report a recommendation that the basis for such grants of export licenses be reviewed by the administering authority. I wish to express the hope that this review will result in the granting to new firms of a substantially larger proportion of the licenses.

In regard to the second point of our discussion, let me say that I have proposed an amendment which was read by the clerk just a moment ago. That amendment provides that the sale of grain and grain products to foreign purchasers for export shall not be performed or conducted by any agency or department of Government. I wish to make it plain to the Senate that this amendment, when adopted, will not interfere in the least with any Government agency which acts as a representative of the Army in connection with the purchase of wheat or other commodities for delivery to occupied territories—for instance, either to Greece or elsewhere—where the Government is conducting a program of that kind; but the amendment will apply to foreign agents who come to the United States with foreign money to purchase such commodities, and are, I think, rather anxious to deal directly in private trade.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. HICKENLOOPER. I should like to ask the Senator what will be the effect of the amendment, if adopted, upon the domestic supply. For instance, if there is a substantial shortage of corn this fall and winter, and if the domestic feeders, who normally use corn, are forced to turn to the use of a substantial amount of wheat for feed, and have to go on the domestic market to obtain that wheat, what will be the effect of the Senator's amendment in preventing invasion by foreign purchasing agents, either public or private, who might come to the United States and, by their purchases, further inflate the corn market and further inflate the wheat market, in the absence of some authority to control the exportation of those grains from this country? I think we must consider those needs for grain, in addition to the need for grain for feed.

Mr. BUTLER. I say to the Senator from Iowa that there can be no doubt that wheat will be used to a great extent in the coming season as a substitute for corn, because there will definitely be a shortage in the corn crop. In fact, the United States has never produced a surplus of corn. To be sure, some corn has been exported; but we have never produced a surplus of corn. We have produced a surplus of wheat during a number of years, and this year the surplus will be larger than usual—which is fortunate for the world.

I can see no reason why the cost of the wheat which will go into international channels should be higher or even as high, if the commission that the Government agency gets is saved, because the Government agency buys from the local dealer every bushel it gets for foreign delivery, and the local dealer will be just as anxious to sell directly to a foreign trader as he will be to sell to the Government and to have it sell, in turn, to the foreign trader. That will make no difference to the local dealer, so long as he is paid the same price.

Mr. HICKENLOOPER. As I understand the Senator, he states that, under

the present set-up, the Government charges a brokerage fee or an elevator fee at the warehouse on that grain, in addition to the normal charges in the regular course of the grain business. Is that correct?

Mr. BUTLER. The figures show the total commission less the amount of 4.8 cents a bushel, or rather close to 5 cents a bushel. As the price of wheat advances, it usually will be 5 cents a bushel.

Mr. HICKENLOOPER. In case the Senator's amendment is adopted, will it mean that there will be no controls on the export of grain from this country?

Mr. BUTLER. There will be exactly the control which exists at the present time. A certain number of bushels of grain will be allocated for shipment to certain places. The only change will be that the business will be done by private enterprise, instead of by a Government agency.

Mr. HICKENLOOPER. So instead of having a Government agency do the purchasing and, incidentally, charge a brokerage and storage fee, in addition to the charge made by regular business, the Senator proposes that the countries or areas to be benefited under the allotment be authorized to purchase directly from the local dealers; is that correct?

Mr. BUTLER. Yes.

Mr. HICKENLOOPER. And the Senator believes that such a provision would not in any way create an unlimited scramble by foreign countries to purchase grain in this country willy-nilly, without regard to allocations; is that correct?

Mr. BUTLER. I do not know that there is any law that prevents a foreigner from coming to the United States today and bidding what he wants to bid for grain; but no buyer is going to pay any more than he has to pay, of course.

Mr. HICKENLOOPER. They come under allotments now; do they not?

Mr. BUTLER. Yes, and they have to get a license for shipment.

Mr. HICKENLOOPER. Would the same regulations and arrangements in regard to allotments and licenses apply under the Senator's amendment?

Mr. BUTLER. Yes; absolutely the same.

Mr. HICKENLOOPER. There would be no change in that situation?

Mr. BUTLER. Not at all.

I wish to repeat that I think the effect of my proposal will be to reduce the cost to the foreign purchasers and foreign consumers by a total of from $15,000,000 to $20,000,000, as compared with the arrangement which has been used for the last several years.

Mr. HICKENLOOPER. Has the Senator any information as to whether the Government agencies now in charge of these allocations and the procurement of this grain believe that the amendment would in any way handicap either the fair allocation of grain to devastated countries and other countries, or the protection of the domestic market? Is there any question that under the amendment it will be difficult or impossible to protect the domestic market as well as it can be protected now?

Mr. BUTLER. I must say that I think the answer to that question is that the Government agencies are not necessary in this operation. I have not the slightest prejudice against the gentlemen who are handling the business; in fact, I am perfectly willing to commend the kind of job they have done. But it is entirely unnecessary to add that agency between the shipper or the producer and the foreign consumer. Attempts have been made for years, both in this Congress and in previous Congresses, to do away with unnecessary middlemen. So in this way we have attempted to remove one middleman who otherwise would be interposed between the grain bidder and the grain consumer.

Mr. HICKENLOOPER. Does the Senator think that the adoption of his amendment may be expected to reduce, at least to some extent, Government employment in this field?

Mr. BUTLER. The Senator from Iowa has touched upon what is probably the vital point. I have no doubt that several hundred persons are employed in handling this program at the moment; and if the change proposed by the amendment is made, they will have to find other work, either in or out of the Government.

Mr. HICKENLOOPER. I thank the Senator.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. LUCAS. As I understand the Senator's amendment, the grain dealers finally will have to go through the Government in order to obtain the allotments provided by the Government. That is true; is it not?

Mr. BUTLER. Of course, the allotments are handled by the agency that is provided.

Mr. LUCAS. Yes; the allotments are handled by the Government agency. In any circumstances, after the agents buy the grain, they have to go through the Government agency; do they not?

Mr. BUTLER. That is correct.

Mr. LUCAS. And they have to handle the grain through the trade, and finally they have to say where it is going to go, and they have to arrange for the allotments; and those who are handling the grain for the trade must ascertain, through the Government agencies, exactly where they are going to place the grain.

Mr. BUTLER. The Government agency makes the program of allocation, and I think that the word the Senator used in saying they handled it is an improper word under this arrangement. They would direct the course of the grain, but under the provisions of this amendment they would not actually handle the grain.

Over the years, the United States has built up a strong and competitive grain-export trade. Many of our exporters have agents or representatives in many foreign countries—in fact, they are in every country where grain is purchased—and they are eager again to resume the export business that has in large measure been denied them since the beginning of the war. At present, the Department of Agriculture largely handles the export of grain and grain products. Various gestures have been made by that agency to return this business to private firms, but it is still almost entirely in the hands of the Department of Agriculture's Commodity Credit Corporation.

My long interest in the grain trade has prompted me to inquire of experienced men in the export grain trade whether they are now prepared and equipped to take back this business. I have been assured that they are (1) able to move grain from the interior to seaboard as readily as any Government agency, and (2) that grain in loading position at port will not be delayed. These men have testified before the subcommittee of the Committee on the Judiciary where they recorded their trade's position in favor of continuing allocation control of exports by our Government beyond June 30 so long as the present world food shortage exists.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. BUTLER. I yield.

Mr. HICKENLOOPER. At the present time, the Government is handling the grain, buying it and handling it at the elevators, and transporting the grain after it purchases it. The Government turns the grain over, or sells it, to the foreign purchaser under the allotment. Do the Government representatives follow the grain in any way after the transaction is completed with the foreign purchaser, or does the Government supervision stop at that point? What I am trying to learn is whether the Senator's amendment would open up a field of internal speculation in the country of purchase, that does not now exist, because of any possible failure of the Government to follow through to ascertain the use to which the grain is put on its sale in such country?

Mr. BUTLER. Not in the least, I will say to the Senator, because the foreign claimant, under the present arrangement, in dealing directly with the Government agency, furnishes the ship and the transportation at port, and the responsibility of the Government agency, or a private firm, in the business would end when they had loaded the grain on the ship that was purchased by the foreign purchaser.

Mr. HICKENLOOPER. From that time on it is their grain?

Mr. BUTLER. It is their grain.

Mr. HICKENLOOPER. It is the purchaser's grain, and we do not follow it with any restrictions or regulations as to what they shall do with it after they purchase it and delivery at the port of embarkation has been completed. Is that correct?

Mr. BUTLER. Not in the least.

Mr. HICKENLOOPER. There is nothing in the Senator's amendment that would change that situation?

Mr. BUTLER. Not a thing.

I was just mentioning the fact that, in my conferences with leaders in the grain trade, they assure me they are able to move the grain from the interior to the seaboard, and they are also in position

to take care of it at port when it arrives. These men testified before the subcommittee of the Committee on the Judiciary, where they recorded their trade's position in favor of continuing allocation control of exports by our Government beyond June 30, so long as the present world food shortage exists. They felt that if the allocation terminated on June 30 it would permit unfair and confused distribution in a world where supplies are still short. I might say again that I am not interfering in the least with the program that is intended to avoid that confusion at the moment. I am in entire agreement with these statements.

Nearly 2 years have elapsed since the cessation of hostilities, and this agency still retains a monopoly on the export of wheat. It has failed to abandon this wheat monopoly of its own volition. Only by legislation can it be compelled to cease engaging in private trade. Here in Congress we have been concerned with methods to impress other nations with the advantages of free enterprise. It does not seem logical that we should attempt to demonstrate those advantages when we deny to free enterprise in this country the right to return to a business field which a Government agency has usurped and refuses to abandon.

In its statements before the subcommittee headed by the Senator from Kentucky, the export-grain trade's representative has made a clear case for the return of this export business to private business firms.

I want again to read the statement that is in the Senator's report, wherein he says:

> It is the opinion of the committee that the procurement of wheat should be returned to trade at the earliest moment.

The proviso, while it does not mention wheat, refers to grain and grain products, which would in a practical result affect only wheat, so far as I know.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BUTLER. I yield to the Senator from Texas.

Mr. CONNALLY. Has the Senator given attention to the aspect of this case that relates to Central and South America? I have been receiving telegrams from grain dealers complaining that restraints on shipping to Central and South America should be removed. What does the Senator say about that?

Mr. BUTLER. I have had no telegrams, I will say to the Senator. I am speaking only my own convictions, after having conferred with the author of the bill, read the report, and studied the bill as to how it might affect private enterprise in this country.

Mr. CONNALLY. If it would not interrupt the Senator from Nebraska, I should like to hear the views of the Senator from Kentucky upon that matter.

Mr. BUTLER. I yield.

Mr. COOPER. May I hear the question of the Senator from Texas?

Mr. CONNALLY. Certain of the dealers want no restraint at all on the shipment of grain to Central and South America. Of course, I understand the answer of the Department is that if there were no restraint, the brokers in Central and South America would do all the business with the foreign nations.

Mr. COOPER. The matter was brought before the committee. It was the committee's opinion that if grain shipments to South America were placed under general license, some of the grain would go promptly from South America by reexportation to Europe.

Mr. BUTLER. Mr. President, I should like to make it plain that the provision of my amendment does not interfere with the allocation of grain or of any other commodity; the Government would still allocate and control shipments.

In its statements before the subcommittee headed by the Senator from Kentucky, the export grain trade's representative has made a clear case for the return of this export business to private business firms. There will be neither confusion nor delay in handling by the private trade. The private exporters, in fact, now sell to the exporting Government agency much of the grain exported. There is no reason to believe that their price, if selling direct to a foreign buyer, will be any different than if they were selling to a Government agency. As matters now stand, the Government agency, the Commodity Credit Corporation, after buying from the private trade, adds its own service fee. And this added fee tends to increase the cost to foreign nations.

The Commodity Credit Corporation already acts as the procuring agent for the Army to fill its food needs in occupied areas.

I propose to make no change in that respect. In testimony before the subcommittee, Army representatives stated that delivery to occupied areas of foodstuffs procured by Commodity Credit had not been on schedule; that the failure to maintain scheduled deliveries has brought on recurring food crises in Germany. I believe that this nonadherence to schedule has now been rectified. I trust that deliveries will continue on schedule. One way to assure this is to lighten that agency's self-inflicted load, and remove from the orbit of its activity the sale of grain and grain products for export to foreign claimants—not to the Army, not to occupied zones abroad, but to foreign buyers of American grain.

The export grain trade is not alone in its opinion that this business should be returned to the private trade. Before the Judiciary Subcommittee, a representative from the State Department gave it as his personal opinion that this was a proper function of private trade. President Truman's Export Coordinator, Captain Conway, stated that in his opinion, since the private trade had handled successfully the export trade in coal and other commodities and since he was familiar with the efficiency of the private grain trade, the private grain trade could successfully handle the sale of all grains for export.

I submit this question: If the private trade has successfully taken care of the problem in connection with the export of coal and all the other 397 items under the administration of the present controls, why, in the name of common sense, should they keep control of the export of wheat under one Government agency?

In justifying the service fee charged foreign purchasers, the Under Secretary of Agriculture in a letter to the Senator from Kentucky stated:

> It is our opinion that the cost to claimants of the grains and grain products sold by the Department is on the average comparable to the prices for the same commodities for the same period of time sold by the trade.

But from each such service fee or mark-up probably comes a profit. And from that profit can be built an apparent justification for the employment of Federal employees at the expense perhaps of the needy and starving of Europe for whom we have so recently appropriated huge sums for direct relief. Why should this profit be realized at the expense of the American taxpayer or the needy for whom we have demonstrated our concern? This is particularly difficult to understand when one remembers that the profit comes by retaining an export organization within the Government that duplicates the organization in private trade.

The report of the House Committee on Appropriations, at page 35, indicates the extent of the activity of Commodity Credit in the export field and the cost, in addition to the service fee, that is incurred by foreign purchasers who must buy from it. There you will find listed six activities in which this Government agency engages. Two are concerned with export activities. There you will note that all these activities will require $11,500,000 in the fiscal year. But note, $3,000,000 of this amount will be received by transfer from UNRRA, foreign governments, and other sources for services rendered. No mention is made of any receipt from the Army for procuring goods for that Department. I understand that UNRRA is not functioning after June 30. It would appear that foreign governments and other sources will make the major contribution. I believe I am safe in saying that those receipts from foreign governments and other sources will keep a large number of people employed in our Government.

Mr. President, I feel that those of us who believe in competitive free enterprise must clearly indicate in this measure whether we want to continue Government in competition with business or whether we want to give to business the opportunity to return to its historic field. I believe that wheat is about the only commodity still handled by the Government in this way, and I see no reason why it should not be returned to private enterprise. I am therefore presenting the amendment in the hope that the Senator from Kentucky will accept it.

Again, Mr. President, I quote from the words of the report of the committee that "The program of wheat should be returned to the trade at the earliest moment." I hope the Senator will accept the amendment, and that it may be adopted and taken to conference.

Mr. YOUNG. Mr. President, the amendment offered by the Senator from Nebraska, which would take from the Commodity Credit Corporation the authority to handle purchase of foreign shipments of grain, would, in my opinion, be disastrous to the farmers of America and perhaps very expensive to the con-

sumers of America and of the foreign countries buying our grain for food.

Last year I criticized the Commodity Credit Corporation for not entering the market in the fall during the heavy marketing season and purchasing grain when grain was cheaper. At that time I understand that it was practically impossible for the Corporation to do so because the Government did not anticipate just how much foreign grain would be required, and foreign nations had not ordered as early as they might have. As a result we had cheap wheat last fall and much higher priced wheat during the winter and in the spring, and that higher price prevails now.

If this amendment should be adopted, we would have one of the wildest fluctuating markets I think this country has seen for a long time in grain. If the amendment is not adopted, the Commodity Credit Corporation now has pooled orders to the extent that they can purchase continuously approximately 14,000,000 tons of wheat a month from now on during the heavy marketing season. That will have a healthy effect on the market, because it will level prices off now, preventing too low prices, and will allow the Commodity Credit Corporation to make its purchases while the marketing is heavy. Then in the spring, when wheat is not so plentiful, the CCC will have purchased its grain and can stay off the market.

Mr. BUTLER. Mr. President, will the Senator yield for a question?

Mr. YOUNG. I would rather not for a moment. If the amendment is adopted, the following will result: There are many foreign countries now wishing to purchase American wheat. These orders will be bunched up. Perhaps one-half dozen countries will order in one week. As a result the grain trade will enter the market with unusually heavy purchases and push wheat up 30 cents, 40 cents, or 50 cents a bushel. The next week or two there probably would not be any orders, and as a result the price of wheat would drop again. That is something the Minneapolis, Omaha, Kansas City, and Chicago markets want. They make more money on a wild, fluctuating market.

Mr. President, I hope the amendment will not be adopted. It is a part of the program of the grain trade which has been going on for many months to destroy the operations of the Commodity Credit Corporation, which supports prices and is trying in every way possible to level off prices and to support farm prices at levels authorized by law.

I yield now to the Senator from Nebraska.

Mr. BUTLER. The Senator from North Dakota apparently thinks the Commodity Credit Corporation's handling of the export grain has been beneficial to the producer and the consumer here in America. Why not apply the same reason and have the Commodity Credit Corporation handle all the domestic business? Then we would have no competition whatsoever.

Mr. YOUNG. I do not think that reasoning would apply. Wheat is the staff of life. Wheat and corn comprise largely all the purchases the Commodity Credit Corporation is making for foreign food supplies. It is the governments of other countries largely that are making the purchases through the Commodity Credit Corporation and not individuals. By getting all the orders for grain the Commodity Credit Corporation can continue a day-to-day program for the purchase of commodities without disturbing the market to any great degree.

Mr. BUTLER. I should also like to say to the Senator, who is my very dear friend and a tiller of the soil, as I claim to be myself, that I hope that he does not think I am speaking for the grain trade, because I have had the same interests in the grain trade ever since I have been in the Senate that the distinguished Senator from North Dakota has, that is, producing a few bushels for the market for my own account. That is the only interest I have in the grain trade as such. But I think it is only right that the members of the grain trade should have the same opportunity at free enterprise that every other enterprise has which is covered by the bill before us. Why exclude wheat and wheat alone? Why not put all these commodities under the control of the Commodity Credit Corporation? If the argument with respect to wheat is good, why not include all the commodities listed in the report?

Mr. YOUNG. I would agree with the Senator from Nebraska for whom I have always had a high regard, that so far as we can we ought to get back to the free enterprise system, but we ought not to do it at the expense of the consumers of this country and other countries when it is not necessary at the present time to do so. The grain trade is being taken care of well and can wait a few months more until conditions are more normal.

Mr. BUTLER. I also wish to say again to the Senator that I have received some telegrams from grain dealers which I have not even had time to read, only about half a dozen of them. The telegrams were from firms with which I am not personally acquainted. I have not had time to give them personal attention. But the grain trade have told me over the past several years that the Commodity Credit Corporation has been handling the grain market, that the Commodity Credit Corporation is the only real bull in the market; that the fluctuations of the market have been due entirely to the doings of the Commodity Credit Corporation rather than to individual members of the trade. When we are subject to the whim or the opinion of one organization, it is not well. The Senator will agree that they can put the market up 5 cents, 10 cents, or 15 cents a day by accumulating a bunch of orders, or they can cause the market to fall 5 cents, 10 cents, or 15 cents a day if they go out of the market. That is certainly what they are doing. The fluctuations which have occurred in the grain market have been due to the program adopted by the Commodity Credit Corporation. We see less fluctuation under private enterprise, when hundreds or thousands of dealers are engaged, than when the business is in the hands of one person.

Mr. YOUNG. Mr. President, I think the Senator from Nebraska is unjust in his accusation. The Commodity Credit Corporation was not to blame for the fact that all these orders for wheat for foreign countries came in all of a sudden during the past winter. They had to make these purchases both for the Army and for foreign countries, and as a result of this alone wheat went up. I will say to the Senator that if the matter were turned over to the grain trade now the business of buying would be conducted on no more than a month-to-month basis and probably on only a week-to-week basis. On the other hand, the Commodity Credit Corporation has a considerable number of orders, and as a result can purchase their needed supplies in a much more orderly manner than would ever be possible by purchasing through hundreds of individual buyers.

Mr. BUTLER. The same thing would apply in the handling of domestic business, would it not?

Mr. YOUNG. There is no purchase of American goods on a large scale such as there is of wheat, where for instance a country wants 100,000,000 bushels of wheat right now or its people are going to starve to death. Present conditions are extraordinary.

Mr. BUTLER. A very small percentage of grain transactions are for shipment abroad. The bulk of the grain transactions are handled here at home. If it is well that the principle be applied to wheat, why not apply it to the other commodities listed in the report?

Mr. YOUNG. I think it was stated a while ago that we were going to export between 300,000,000 and 500,000,000 bushels of wheat this year. All the orders may come in within a month. If the matter were left to private trade, considerable fluctuation in price could result.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. CORDON. In view of the fact that the present procedure indulged in by the Government in connection with export control will be continued under the amendment offered by the Senator from Nebraska, and in view of the fact that the procedure involves, among other things, the allocation by the Government not only to a certain identified country or group of countries, but also in certain specific amounts, and over quarterly periods of time, in view of the fact that that control will still remain as it has in the past, and as it operates now in respect to other commodities—and I have particular knowledge of lumber—how can there be any real unsettlement of the wheat market?

Mr. YOUNG. They may say, "We will not issue a permit until perhaps next week." These orders may be all purchased at one time on the market.

Mr. CORDON. The maximum amount of grain permitted to be purchased within a given period of time is set by the Government, and then the license is issued to the exporter under which he may purchase the wheat for foreign sale. That is all controlled by the Government even under the amendment of the Senator from Nebraska. Does not the Government then have complete control of the purchase and sale of the wheat. as it

would have at the present time, with the single exception that, on the basis of the amendment of the Senator from Nebraska, the Government would issue licenses and the trade would go into the business, or, rather, back into the business of handling foreign export?

Mr. YOUNG. No; I think the Senator is mistaken. The only control would be over the amount. There would be no control over the time purchases would be made. This dealing in grain is mostly between various nations. Foreign governments purchasing through hundreds of different grain-trade interests of the United States would present another problem. One grain commission firm on the Gulf might have part of a shipload, and another might have part of a shipload, and so forth. A single firm would have to wait until it got a shipload before it could ship the grain. Under the present arrangement, the operations of the Commodity Credit Corporation are all under one agency. When it has enough for a shipload, it fills the ship from one spout.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. BUTLER. I should like to submit for the RECORD a letter which comes from the Director of Export Grain Traffic of the North American Export Grain Association, a gentleman whom I have never seen or known personally. He writes a letter on that particular point. The Commodity Credit Corporation has claimed that it could handle grain at the port to advantage, as compared with the private trade.

Mr. YOUNG. From whom is the letter?

Mr. BUTLER. The director of export grain traffic for the North American Export Grain Association. He answers the point which the Senator has made, that the Commodity Credit Corporation, loading the grain from one spout, is in a better position to load grain for export than any group of private traders. I shall not take time to read the letter, but I desire to place it in the RECORD. It gives figures and dates as to loadings at the port of New Orleans, and answers very definitely the contention made by the Senator. It shows that the Commodity Credit Corporation cannot do and has not done as good a job as private trade in loading vessels for shipment abroad.

Also I ask unanimous consent to have printed in the RECORD a letter dated June 18 from the North American Export Grain Association, which answers many of the other points which have been brought out in this discussion.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 2, 1947.

Hon. JOHN SHERMAN COOPER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR COOPER: Pursuant to your suggestion of today we are herewith presenting some comments which are additional to our letter of June 18, copy attached, on Under Secretary Dodd's letter to you on June 9, 1947, in which there are numerous statements that require exceptions by this association since they represent either misinformation or a deliberate attempt to mislead the committee.

In the fourth paragraph the Under Secretary states "It is realized that it is not practical for the trade to assemble large stocks of grain and grain products in export position without assurance that they will be exported." This is an ambiguous statement for the reason that neither would it be practical for the Department of Agriculture to accumulate such stocks without the assurance that they will be exported. The answer, of course, is that the Department of Agriculture well knows that they will be exported, and all we request is sufficient advance information from the USDA concerning allocations, even though tentative, to be able to do exactly the same job.

We deny his statement that better use of transportation and port facilities can be made by the Department of Agriculture. This is a categorical statement buttressed only by the comment that there has been some difficulty at New Orleans, La. The only knowledge that we have of any operating difficulties at New Orleans, La., occurred in January 1947, and during that month the relative position of the export-grain trade as compared to the Department of Agriculture was as follows: On January 1, 1947, the grain trade had in, or en route to, New Orleans, 714,000 bushels of corn. There were in New Orleans for account of the Commodity Credit Corporation on the same date 700,000 bushels. On January 10, the Commodity Credit Corporation had cleared 1 cargo and their stocks had dropped to 406,000 bushels while the stocks of the trade for direct export had risen to 892,000. On January 17, the Commodity Credit Corporation stocks were 350,000 and the trade's remained at 892,000. On January 24, Commodity Credit Corporation's stocks were 700,000 while the trade's holdings had dropped to 327,000. On January 31, the stocks of Commodity Credit Corporation were difficult to estimate due to the fact that at the request of Captain Conway's office, members of the association had discontinued reporting stocks on hand against Commodity Credit contracts because these figures were being duplicated to some extent by direct reports from Commodity Credit Corporation. However it is assumed that on January 31 they still had the 700,000 bushels while the export grain trade's holdings were 340,000 bushels or 1 cargo.

The figures quoted above represent only quantities held, or en route, to New Orleans by members of the North American Export Grain Association which is only a small part of Commodity Credit Corporation's total purchases and to that extent the figures are not truly representative because Commodity's holdings were undoubtedly much larger several times during the month.

During the month of January the Association's export office in Washington made weekly written reports to Mr. William McArthur, deputy director, Grain Branch PMA, as well as repeated telephone calls to his office informing him of the critical situation that was developing and suggesting that his Chicago office be instructed to accept delivery of these quantities from the grain trade and schedule them for loading from the port. Instead of doing this, however, the contracts were not called but delivery was requested from other sources which did not then have their corn in New Orleans. This contradicts their representation that they move stocks to best advantage. Captain Conway's office was kept fully informed of these developments and we submit that if there was any congestion in the port of New Orleans in January 1947, it was the fault of the Department of Agriculture rather than of the grain trade.

In regard to the Under Secretary's explanation of the pricing policy, particularly the mark-ups of 1 percent for damage, deterioration, and other contingencies, plus 1 percent for administrative expenses, it will suffice to point out that for $2.40 wheat these mark-ups amount to 4.8 cents per bushel which is far in excess of any profit margin taken by the grain trade. To the extent that the charges added by PMA exceed those commonly taken by the trade it means a depletion of funds available for food purchases.

The Under Secretary refers to the transportation priority which the Department of Agriculture has been granted, but fails to point out that this priority extends not only to Department of Agriculture operations but to the movements of all export grains which are a part of the allocated program, therefore, the grain trade has equal access to the transportation priority.

Another statement from the letter is quoted verbatim, "The quantities of grain actually exported for any period are difficult to arrive at because of the lack of definite information from the trade concerning shipments made by the trade." The Under Secretary is apparently ignorant of the fact that the Washington office of the North American Export Grain Association makes a written report to the Department of Agriculture with copies to the ODT and Captain Conway on Monday of each week giving the position of the trade at the close of business on the preceding Friday. These reports show the quantities due each claimant at each port, stocks on hand, or en route, and the approximate interior location of the balances to be moved to the particular ports. This report also includes complete and detailed information on clearances for the previous week showing the recipient, the name of the vessel, the quantity loaded, and the date of clearance. Captain Conway's office has stated on several occasions that they wish agriculture reports were as complete and comprehensive as those of the trade.

Respectfully yours,

O. W. SALISBURY, Jr.,
Director of Export Grain Traffic.

By direction of the acting president.

JUNE 18, 1947.

The Honorable JOHN SHERMAN COOPER,
Chairman, Senate Judiciary Committee, Senate Office Building, Washington, D. C.

DEAR SENATOR COOPER: I have been informed that a letter witten to you by Under Secretary of Agriculture N. E. Dodd has been made part of the testimony presented to you in connection with the question of extension of export controls. Under the circumstances, I request that I be permitted to answer some of the statements and contentions of the Under Secretary.

The figures given by Mr. Dodd in the third paragraph of the first page have somehow become garbled and are meaningless, but I suppose that a correction has been offered by the Under Secretary.

The statement that "better use of transportation and port facilities can be made if the Department owns all of the wheat" is not borne out by the facts.

In the handling of corn by the export trade transportation facilities have been efficiently used and no congestion has resulted at any of the ports. The case of New Orleans is twice mentioned by Under Secretary Dodd. It is a recognized fact in the grain business that the elevator at New Orleans, being a city-owned-and-operated establishment, is the worst-run elevator anywhere in the country. Actually, the congestion at New Orleans was mostly of Commodity Credit Corporation's own making and was aggravated by the fact that CCC was unable to obtain from the elevator manager a correct statement as to their stocks of corn in the elevator and as to the condition of these stocks. Some high-moisture corn had gone out of condition, but no detailed information was available.

Both CCC and the grain trade were confronted with an extraordinary and most exceptional situation and should hardly, in all fairness, be taken as an example of what will occur if the grain trade should handle a large share of the wheat export business.

Mr. Dodd expresses lack of understanding of the approximate market price stated by me of $2.35 per bushel for No. 1 hard winter wheat at the Gulf for July shipment. In an attempt to disprove the correctness of this price, he states that Chicago July futures closed on May 28 at 2.41⅝ and Kansas City at 2.33⅛. It is true that I testified for the first time on May 28, but the market price mentioned by me was in reference to contracts written after May 23 and before June 4, when I testified again. As it happened, the close of Chicago was the highest on May 28, being 2.41⅝, but was as follows on subsequent dates: May 29, 2.35¾; May 31, 2.31; June 2, 2.25¾; June 3, 2.30.

Cash wheat for delivery at the Gulf during July, at that time was available at approximately July price, track, to which should be added 1½ cents per bushel to arrive at the f. o. b. price, so that—on an average—the price stated by me was on the high side.

As a matter of fact, up to the present time, Commodity Credit Corporation has bought somewhat over 20,000,000 bushels of wheat for which they paid from $2.46½ for delivery not later than June 15, which is worth a premium because of early shipment, to $2.23½ for delivery by July 31.

Mr. Dodd's statement shows that, in addition to 1 percent for administrative expenses, which he acknowledges is for the purpose of maintaining a large bureaucracy, the Department makes a charge of 1 percent for damage, deterioration and other contingencies, as the recent loss of flour and rice at Texas City, and losses in connection with grain shipped on the Lakes. All losses, of course, except possibly that of deterioration, can be covered by insurance at premiums which run from ⅛ to ⅜ percent and which, as a matter of fact, are, in most cases, separately charged for. As far as deterioration is concerned, this is an item for account of Commodity Credit Corporation only if they purchase grain in the interior on interior inspection, which is done only part of the time, and then—in most, and probably all—cases the deterioration in the last analysis is for account of the foreign buyer because, simply, grain of poorer quality or lower grade is loaded against the commitments made by Commodity Credit Corporation, and the cost, which is charged to the foreign country, remains unchanged.

Actually, practically the only cases of deterioration are in corn which, as stated above, in all probability, are paid for by claimant nations. The conclusion is that Commodity Credit Corporation charges a total of 2 percent which, on wheat at $2.75 per bushel, is equal to 5½ cents, which is four or five times the profit which an exporter could obtain in competition with other exporters for the same services.

The Under Secretary, in the last two sentences of his letter, presents the best argument that could be made for the handling of this business by the export grain trade. Among other things, by what he says he proves that a contract with an exporter is a great deal more binding than a contract with the Department of Agriculture. When exporters make commitments to foreign claimant nations, they do not do so subject to their ability to acquire grain, nor are they excused from making delivery due to any cause beyond their control, but these contracts by the export grain trade are absolutely binding at a fixed price for a fixed grade of grain for a fixed period of delivery, and are only subject to a specific strike clause extending the period of delivery for the amount of days that a strike may be in effect during the delivery period.

Contracts are established between sellers and buyers which give both equitable rights and which are based on the experience of many decades in the buying and selling of grain for export.

I want to point out once more that foreign claimant nations, with very few exceptions, prefer to make their purchases from the grain delivery trade exactly because of the reasons stated just above but, obviously, most of them are reluctant to state so in public because they are dependent upon officials of the Department of Agriculture for consideration and sponsorship of their eventual allocations of American grain before the International Emergency Food Council. They are most anxious not to antagonize these officials for fear that any statements made by them against the Department of Agriculture may be reflected to their disadvantage in the granting of allocations.

I avail myself of this opportunity to confirm telegram sent you on June 13 pointing out that the prospective increased wheat production in this country has brought about a closer adjustment between supplies and requirements. Therefore, any legislation extending export controls should end on December 31, 1947, for the purposes of review and reexamination of all statistical data then available.

Respectfully yours,

NORTH AMERICAN EXPORT GRAIN ASSOCIATION,

——— ———, *Vice President.*

Mr. YOUNG. Mr. President, I ask the Senator from Nebraska if it is not true that the grain trade is generally opposed to any sort of farm-price-support program.

Mr. BUTLER. No; I cannot say that it is. If the Senator asks my opinion, I will say that members of the grain trade—and I am not one of them—have profited more during Government control than they ever did under private operation, because when they are all free to get whatever business they can on their own, prices are much lower, and the margins of profit are much lower than they are under the control which we have had.

Mr. YOUNG. All of the grain-trade interests I have talked with are opposed to farm-support prices. Why would they not be satisfied to continue for 3 or 4 months, say, until the first of the year, when the heavy purchasing season will be over?

Mr. BUTLER. I am looking after the interests of the American taxpayer, and not those of members of the grain trade. I also have in mind consumers abroad who are paying between $15,000,000 and $20,000,000 to maintain a government agency to represent them here. I should like to see them get their food that much cheaper.

Mr. YOUNG. The Senator from Nebraska knows that in the Argentine the present price of wheat ranges between $5 and $6 a bushel. If the Senator does not want controls, and wants $5 or $6 wheat, which is a detriment to both the consumer and the producer, then let us eliminate all controls. Farmers do not want boom-and-bust prices. They are always fearful lest $3 and $4 per bushel wheat might be followed by 30-cent wheat.

Mr. BUTLER. We are not eliminating the controls. We are maintaining and continuing every control we have had. My amendment does not propose the elimination of a single control. It merely proposes that private trade, instead of the Commodity Credit Corporation, shall fill the orders.

Mr. AIKEN. Mr. President, I hope that all matters of trade now handled by the Government may be restored to private industry as soon as possible. I do not intend either to defend or condemn the Commodity Credit Corporation. I think it has done as good a job as it could have done, although it has made a great many mistakes in the process.

This discussion has centered around wheat. There are several farm commodities which have greater monetary value than wheat. One of them is dairy products. At the present time the Commodity Credit Corporation is keeping the dairy market from absolute collapse, and has been doing so for 2 or 3 months, by buying surplus milk in the form of powdered milk and selling it to foreign countries, in order to obtain a market. If today the Commodity Credit Corporation were not in the business of buying powdered milk and reselling it in foreign countries, we should see a severe collapse of the market for dairy products in this country, and as a consequence we should find a severe shortage of dairy products for the consumer next winter, with prices going sky high.

I have heard no complaint from private industry over the Government buying powdered milk and reselling it to France, Belgium, and other countries. In fact, private industry seems to think that that is a good way to dispose of it and stabilize the market, because the dairy industry does not want fluctuating markets.

The amendment of the Senator from Nebraska applies not only to wheat; it applies to all other commodities, as I understood it when it was read. Therefore, I do not believe that we ought to adopt an amendment which is bound to have such far-reaching effect as the amendment which my good friend from Nebraska has offered. I do not believe that we should adopt something for the special benefit of wheat dealers. I think we should maintain controls as they are for a short time longer.

In the future we shall have surpluses to dispose of. We have promised the farmers of the country that we would maintain the prices of the basic commodities at 90 percent of parity until the 1st of January 1948. We have already had to make good in the case of potatoes. I believe that operation cost us about $80,000,000. Not many of them could be shipped abroad. Some of them were. I would not deny the Commodity Credit Corporation the right to seek a market abroad for the crops which it has today, in order to maintain the domestic market.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. BUTLER. I think the Senator should understand that my amendment does not affect dairy products. It affects nothing but grain and grain products.

Mr. AIKEN. Does it not affect the products which the Commodity Credit Corporation buys and sells abroad?

Mr. BUTLER. It does not affect them at all.

Mr. AIKEN. I maintain that the amendment should have been printed so that we might know what we are voting on. Three or four days ago I learned that the amendment would be offered. There is no reason in the world why it could not have been printed. I do not believe that we should enact special legislation in behalf of grain and grain products. If the result is an increase in the price of grain of $2 or $3 a bushel, it will certainly affect dairy products. If we permit fluctuation and gambling, we shall increase the domestic price of grain in this country sky high, just as it has gone in countries where there has been no control.

Mr. BUTLER. Today the farmer is not receiving even parity for his grain.

Mr. AIKEN. He can receive 90 percent of parity.

Mr. BUTLER. But he is not receiving parity.

Mr. AIKEN. Would he receive more than parity if the entire trade were returned to private dealers?

Mr. BUTLER. I have no way of reading the future, I will say to the Senator. But my amendment does not propose to change in the least the arrangement of the Commodity Credit Corporation for purchasing for Army needs abroad, or for occupied territory abroad. The Commodity Credit Corporation would still be the biggest buyer in the world for those purposes.

This amendment would take care of foreign claimants who come here and buy on their own. I think they want to trade with individuals. Once let the Dutch and Belgian traders come into a free market, offering whatever prices they see fit in competition for this grain, and we shall find that they will take it anywhere they choose and dispose of it at as high prices as they can get, even in their own countries. It belongs to them when it is loaded on the ship. No one can tell me that that will not result in a great increase in the price of grain in this country. I do not believe that it would be good for the country to have the price of grain fluctuate, because later it is bound to go down. The price of corn is approximately $2 a bushel. That is more than parity, if I am not mistaken.

The price of corn will be higher than that of wheat.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. YOUNG. The support price of wheat is $1.83 a bushel now, and the price which the farmer receives is at least 55 cents a bushel above that. The farmer would be tickled to death to sign a contract over a 5-year period for $1.50 a bushel, rather than face the possibility of $5 wheat this year and probably 30-cent wheat in a couple years.

Mr. AIKEN. The farmer is receiving parity now. We are going to have a surplus of dried fruits. The Commodity Credit Corporation will have to buy them and resell them in foreign countries. That is the logical place to get rid of them. Let us support the efforts of the Commodity Credit Corporation. Every grower is not supported by the Steagall amendment. Let us not mess things up.

Mr. COOPER. Mr. President, the amendment which has been offered by the Senator from Nebraska is of importance, and I hope that Members of the Senate will give it careful consideration.

What does the amendment propose to do? It is not proposed to remove export controls from wheat. It is proposed to change the method of procurement of wheat. Today wheat is purchased by the Production and Marketing Administration of the Department of Agriculture, financed by the Commodity Credit Corporation. A license is given to the PMA to purchase wheat, and it is sold directly to foreign countries. The amendment of the Senator from Nebraska proposes that private exporters shall obtain licenses to purchase wheat from the farmers and arrange for its transfer to foreign countries.

I have great sympathy with the Senator's objective and I have great appreciation for his knowledge of the grain business, but after the careful consideration which was given it by the committee—and I cannot say that the committee's knowledge would approximate the Senator's knowledge of the grain business—the committee felt it would be an unwise thing to do. I will give, briefly, the reasons.

This year there will be exported approximately 14,500,000 tons of cereals, consisting of approximately 500,000,000 bushels of wheat and a large quantity of other grains.

That is compared with the peacetime average of a billion and one-half tons against fourteen and one-half million tons. First, there arise the problem of internal transportation, to get the wheat to the port, then the problem of external transportation to get it to the country of destination. The Office of Defense Transportation arranges for transportation to the port. There the Maritime Commission arranges for transportation overseas. The question of movement of such a large quantity is a serious problem, and it is probable that one purchaser can handle it better than several hundred. The PMA can program its purchases and can store wheat at the most logical and likely point for later shipment. If wheat is shipped near a port and it becomes necessary to change its destination, the change can be made without difficulty. If procurement is assumed by the trade, and a change of destination should be necessary, it would be necessary for the private exporter to work out some arrangement with another private exporter for a change in destination. A last point is the most important one. There are changes continually occurring with respect to the necessities and requirements of foreign countries. Because of these changes, it is difficult to make definite allocations of wheat to a country for long periods. If such allocations were made, and the trade contracted on the basis of such allocations, this country might later find itself without supplies to meet more urgent situations, except by repurchase. For example, if a private exporter had been given an allocation for 100,000 tons of wheat for France, and later it was found urgent to ship the wheat to some other country, it would be necessary to buy the wheat back from the private exporter or else the supply would be tied up.

I again say I have great sympathy with this amendment. We say in our report that control should be turned back at the earliest possible moment. There were criticisms made of the Government purchase program which we thought justified, but in looking at the great objective of meeting the tremendous food requirements that will have to be met throughout the year, I think it would be dangerous to tamper with the situation at this time.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. COOPER. I yield to the Senator from Illinois.

Mr. LUCAS. I think the Senator will agree with me that what we need at the present time is the distribution of wheat in an orderly and equitable way. The Commodity Credit Corporation buys up the grain stored in warehouses throughout the country, and then when Belgium, for example, wants a hundred thousand bushels of wheat, within a week's time that agency of the Government is in position to deliver the wheat. Under this other arrangement there will be nothing but chaos and confusion, in my humble opinion, as far as orderly and equitable distribution of grain is concerned throughout the world.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Nebraska [Mr. BUTLER] to the committee amendment. [Putting the question.] The noes appear to have it.

Mr. BALL and Mr. BUTLER asked for a division.

On a division, the amendment to the amendment was rejected.

Mr. COOPER. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. COOPER. Yes.

Mr. SMITH. On page 3 of the committee's report I find the following language:

> Three techniques are employed in the licensing and export of allocations of food, as follows:
>
> * * * * *
>
> The third and most largely used type of license is that issued to commercial exporters against the country quota. Distribution of such licenses is fixed on a basis of 85 percent to historical exporters and 15 percent to newcomers.
>
> Historical exporters are defined by the Department of Commerce as those who made shipment of the commodity concerned to the destination concerned during a base period considered appropriate after consultation with the trade and various Government agencies whose activities have given them knowledge of trade practices.

Mr. President, I should like to propound a question to the distinguished Senator from Kentucky, if I may. I have heard criticisms of this method of distribution, and I should like to ask,

first, whether there is simply a regulation of the Department of Commerce, or whether there is any legislative authority.

Mr. COOPER. It is merely a rule or regulation of the Department; it has no legislative or legal validity.

Mr. SMITH. The criticism made of it is, as I think the Senator mentioned in his opening remarks, that another person wanting to go into business in this field is practically cut out because the so-called historical exporters have the field entirely in their own hands. What possible remedy, under that proposal, would a new company composed of GI's, or anyone else, have?

Mr. COOPER. The Senator from Oklahoma has pointed out that the courts have held this type of arbitrary ruling invalid. Heretofore there has been no power of appeal from the rulings of the Department of Commerce. We have placed in section 5 of the bill the provision that sections 3 and 10 of the Administrative Procedures Act shall be applicable. Section 10 provides for the right of appeal. So I take it that if an applicant for license believes he has been unjustly discriminated against, he will have the right of appeal under section 5 of the bill.

Mr. SMITH. Is there any explanation as to what criteria would be used to determine whether he was rightly or wrongly discriminated against?

Mr. COOPER. If the contention of the Senator from Oklahoma is correct—and I believe it is—there can be no arbitrary division. It would be the duty of the Department to grant licenses equally and equitably between applicants.

Mr. SMITH. Perhaps the most we can say is that it is one of the misfortunes that occur when we find ourselves compelled to adopt some sort of control.

Mr. COOPER. I agree with the Senator. These controls have been requested by the President.

The PRESIDENT pro tempore. The amendment offered by the Senator from Kentucky to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment, it is proposed to add a new section as follows:

SEC. 6. (a) The Secretary of Commerce, subject to the direction of the President, shall have power to establish policies and programs to effectuate the general policies set forth in section 2 of this act, and to exercise over-all control, with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, 1942, as amended, and the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as amended. The Secretary is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by this section.

(b) The Secretary shall make a quarterly report, within 30 days after such quarter, to the President and to the Congress of his operations under the authority conferred upon him by this section. Each such report shall contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act, 1942, as amended, and the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as amended, should or should not be continued, together with the current facts and reasons therefor. Each such report shall also contain detailed information with respect to licensing procedures under such acts, allocations, and priorities under the Second War Powers Act, 1942, as amended, and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as amended.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The Chair lays before the Senate House bill 3647. Without objection, the House bill will be substituted for Senate bill 1461.

There being no objection, the Senate proceeded to consider the bill (H. R. 3647), to extend certain powers of the President under title III of the Second War Powers Act.

Mr. WILEY. I move to amend by striking out all after the enacting clause and inserting the text of the Senate bill as amended.

The amendment was agreed to.

The PRESIDENT pro tempore. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 1461 is indefinitely postponed.

Mr. WILEY. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. WILEY, Mr. COOPER, and Mr. MCCARRAN as conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, informed the Senate that the President of the United States having returned to the House of Representatives the enrolled bill (H. R. 493) to amend section 4 of the act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia," approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 ed.)," in compliance with the request contained in Senate Concurrent Resolution No. 22; and returned the engrossed copy of said bill to the Senate.

The message announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3311) making appropriations for the Departments of State, Justice, and Commerce, and the judiciary, for the fiscal year ending June 30, 1948, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 7, 9, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85 to the said bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 2, 5, 26, and 35 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

TRUSTEESHIP AGREEMENT COVERING JAPANESE MANDATED ISLANDS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 378)

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States transmitting the trusteeship agreement covering the Japanese mandated islands, which are the Carolines, the Marianas, and the Marshalls. The trusteeship agreement has been unanimously approved by the Security Council of the United Nations. The message of the President will be printed in the RECORD. The message, attached papers, and the proposed agreement will be referred to the Committee on Foreign Relations.

(For President's message, see today's proceedings of the House of Representatives on p. 8347.)

JOINT COMMITTEE ON LABOR-MANAGEMENT RELATIONS

The PRESIDENT pro tempore. The Chair desires to announce that under the terms of the Taft-Hartley Act, a joint committee of 14 is set up, of which 7 members are to be named by the President pro tempore of the Senate.

After consultation with the leaders on both sides of the aisle, the Chair announced the appointment of the following committee: The Senator from Ohio [Mr. TAFT], the Senator from Minnesota [Mr. BALL], the Senator from New Jersey [Mr. SMITH], the Senator from New York [Mr. IVES], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. PEPPER], and the Senator from Louisiana [Mr. ELLENDER].

AUDIT REPORT OF DEFENSE HOMES CORPORATION

The PRESIDENT pro tempore laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Defense Homes Corporation, for the fiscal years ended June 30, 1945, and June 30, 1946, which, with the accompanying report, was referred to the Committee on Expenditures in the Executive Departments.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Banking and Currency:

"House Concurrent Resolution 5

"Concurrent resolution memorializing Congress to provide immediate increased allotments of sugar for home consumption and for the removal of all controls on sugar as soon as possible

"Whereas the housewives of America have exercised, during the period of hostilities and for more than a year since the cessation of hostilities, the strictest economy in the consumption of sugar as a part of their contribution to the war effort; and

"Whereas the waste resulting from the lack of sufficient means of preserving foodstuffs through the scarcity of canning sugar can no longer be justified since the Nation has not been at war for the past 18 months; and

"Whereas numerous commercial users of sugar have been able to continue processing without the degree of restraint imposed upon homes and home use in this country; and

"Whereas Michigan, in common with other great agricultural States, produces many crops which require sugar for preservation, such as cherries, berries, apples, and other fruits and vegetables; and

"Whereas in the past year losses from this source have been estimated at several millions of dollars: Now, therefore, be it

"*Resolved by the house of representatives (the senate concurring)*. That the Congress of the United States is hereby requested to provide by law for an immediate increase in the allotment of sugar for home consumption and particularly for increases in sugar to be used in home canning; and be it further

"*Resolved*, That the Congress is requested to remove all controls from the sale and importation of sugar as soon as is possible; and be it further

"*Resolved*, That a copy of this memorial be sent to each Member of the Michigan delegation in Congress and to the President of the United States.

"Adopted by the house January 29, 1947.

"Adopted by the senate May 21, 1947."

A memorial of the house of representatives of the legislature of the State of Arizona; to the Committee on Finance:

"House Memorial 1

"Memorial on Federal contribution to old-age assistance

"*To the Congress of the United States:*

"Your memorialist respectfully represents:

"By the act of Congress of August 10, 1946 (Public Law 719, 79th Cong.), the Federal contribution to the States for old-age assistance, for a period terminating December 31, 1947, was fixed at a sum equal to two-thirds of the State's expenditure for the purpose up to $15 per month for each beneficiary, plus one-half of the State's expenditure above $15 and one-half of the expense of administration.

"The need thus recognized for an increase in the amount of assistance for aged citizens of the States will not pass with the date fixed for the termination of the Federal contribution, and Federal participation in this just and righteous cause will be equally as necessary as at present.

"Wherefore your memorialist, the house of representatives of the State of Arizona, requests:

"1. That the provisions of Public Law 719, Seventy-ninth Congress, relating to Federal participation in old-age assistance, be reenacted and made permanent.

"Adopted by the house June 24, 1947."

A petition of sundry citizens of the State of Florida, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

By Mr. WILEY:

A joint resolution of the Legislature of the State of Wisconsin; to the Committee on Foreign Relations:

"Assembly Joint Resolution 64

"Joint resolution memorializing the President and Congress of the United States to take steps necessary to authorize immediate development of the Great Lakes-St. Lawrence waterway

"Whereas the President has termed the proposed development of the Great Lakes-St. Lawrence waterway for travel by seagoing vessels more important to this Nation than any other comparable project; and

"Whereas for 50 years outstanding Americans in official and civilian life, concerned with the economic welfare of the people of this country, have urged this undertaking as vital to the full development of the country's resources and inland transportation facilities; and for 20 years the governors and legislatures of the State of Wisconsin, regardless of political affiliation, have gone on record as favoring this great project; and

"Whereas every effort in the past to make this seaway a reality has failed because of vigorous opposition from selfish and sectional interests; and

"Whereas the urge for this seaway is today strong and virile and will continue so to be until the Great Lakes-St. Lawrence waterway is made adequate for navigation of seagoing vessels and furnishes Midwest farm, factory, mine, and shipyard products access to the markets of the world; and

"Whereas a seaway from the Great Lakes to the tidewaters of the Atlantic will increase our national security in time of crisis, aid in the restoration of our foreign markets, stimulate development of the resources of the Midwest, will lower transportation costs and will conserve our natural resources; and

"Whereas if authorized and undertaken as an immediate postwar work program, this project will furnish a full measure of opportunity for employment to military veterans; and

"Whereas legislation is now pending before both Houses of the National Congress to authorize construction of the St. Lawrence seaway project by agreement between the United States and Canada, Senators WILEY and MCCARTHY, of Wisconsin, being included among the distinguished sponsors of this legislation, reflecting Wisconsin's unalterable and continuing support of this great project: Now, therefore, be it

"*Resolved by the assembly (the Senate concurring)*, That the Legislature of the State of Wisconsin memorializes the President and Congress of the United States to enact such legislation as may be necessary to authorize development of the Great Lakes-St. Lawrence waterway for navigation by seagoing vessels at the earliest practicable date; and be it further

"*Resolved*, That properly attested copies of this resolution be sent to the President, to the clerks of both Houses of the Congress, and to each Wisconsin Member thereof."

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, identical with the foregoing, which was referred to the Committee on Foreign Relations.)

DISCONTINUANCE OF PASSENGER SERVICE BY OLD COLONY RAILROAD

Mr. LODGE. Mr. President, on behalf of myself and my colleague the senior Senator from Massachusetts [Mr. SALTONSTALL], I ask unanimous consent to present for appropriate reference and to have printed in the RECORD, resolutions of the House of Representatives of the Commonwealth of Massachusetts, memorializing the Congress to enact the so-called Reed bill, relating to the threat of discontinuance of passenger service by the Old Colony Railroad.

There being no objection, the resolutions were received, referred to the Committee on Interstate and Foreign Commerce; and, under the rule, ordered to be printed in the RECORD, as follows:

Resolution memorializing the Congress of the United States in favor of the enactment of the Reed bill, so-called, whereby the threat of discontinuance of passenger service by the Old Colony Railroad will be removed

Whereas one-fifth of the population of the Commonwealth of Massachusetts is affected by, and to a greater or lesser degree is dependent upon, passenger service on the lines of the Old Colony Railroad which operates between the city of Boston and the principal cities and towns of southeastern Massachusetts; and

Whereas the complete discontinuance and abandonment of such passenger service on the lines of the Old Colony Railroad is threatened under a plan of reorganization for the New Haven and Old Colony Railroads, which plan has been approved by the Interstate Commerce Commission and the United States circuit court of appeals, the granting of a writ of certiorari by the Supreme Court being the only hope of judicial relief; and

Whereas there is now pending in the Congress of the United States a bill known as the Reed bill (H. R. 3237) which, if enacted into law, will nullify the said plan of reorganization and thus remove the threat of discontinuance of passenger service on the said Old Colony Railroad; and

Whereas great investments in industrial and commercial enterprises, hotels and homes have been made in southeastern Massachusetts in the expectation that the passenger service on the Old Colony lines be maintained, as provided in the charter granted to the Old Colony Railroad by the Commonwealth of Massachusetts, and the discontinuance and abandonment of said passenger service would constitute a tragic injustice to said citizens of Massachusetts: Therefore be it

Resolved, That the House of Representatives of the General Court of Massachusetts urges the passage of said Reed bill (H. R. 3237); and be it further

Resolved, That copies of these resolutions be transmitted forthwith by the State secretary to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from the New England States.

In house of representatives, adopted, June 26, 1947.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'CONOR, from the Committee on Civil Service:

S. 999. A bill to amend the Veterans' Preference Act of 1944 with respect to preference accorded in Federal employment to disabled veterans, and for other purposes; with an amendment (Rept. No. 428).

By Mr. MOORE, from the Committee on Interstate and Foreign Commerce:

S. 1028. A bill to amend the Natural Gas Act approved June 21, 1938, as amended; without amendment (Rept. No. 429).

By Mr. BUTLER, from the Committee on Public Lands:

S. 794. A bill to authorize the sale of a small tract of land on the Cherokee Indian Reservation, N. C.; with an amendment (Rept. No. 423);

H. R. 2005. A bill to amend the act of April 21, 1932 (47 Stat. 88), entitled "An act to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Nations, in Oklahoma, and for an extension of time within which purchasers of such deposits may complete payments"; without amendment (Rept. No. 424);

S. J. Res. 94. Joint resolution to establish the Fort Sumter National Monument in the State of South Carolina; without amendment (Rept. No. 430);

S. J. Res. 118. Joint resolution to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest; with amendments (Rept. No. 433); and

S. J. Res. 130. Joint resolution establishing a code for health and safety in bituminous coal and lignite mines of the United States the products of which regularly enter commerce or the operations of which substantially affect commerce; with amendments (Rept. No. 431).

By Mr. AIKEN, from the Committee on Labor and Public Welfare:

S. 472. A bill to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes; with an amendment (Rept No. 425).

By Mr. CHAVEZ, from the Committee on Civil Service:

S. 995. A bill to amend the Civil Service Retirement Act so as to make such Act applicable to the officers and employees of the Columbia Institution for the Deaf; without amendment (Rept. No. 426); and

S. 1324. A bill to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the National Library for the Blind; without amendment (Rept. No. 427).

By Mr. REED, from the Committee on Interstate and Foreign Commerce:

S. 249. A bill to amend the Interstate Commerce Act, as amended, and for other purposes; with amendments (Rept. No. 432).

By Mr. GURNEY, from the Committee on Armed Services:

S. 1502. A bill to authorize the contribution to the International Children's Emergency Fund of the United Nations of an amount equal to the moneys received by the Selective Service System for the services of persons assigned to work of national importance under civilian direction pursuant to section 5 (g) of the Selective Training and Service Act of 1940; without amendment (Rept. No. 434).

By Mr. AIKEN, from the Committee on Expenditures in the Executive Departments:

S. 1515. A bill to make surplus property available for the alleviation of damage caused by flood or other catastrophe; with an amendment (Rept. No. 435).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. GURNEY, from the Committee on Armed Services:

Rear Adm. Albert G. Noble, United States Navy, to be Chief of the Bureau of Ordnance in the Department of the Navy, for a term of 4 years;

John W. Drury, of Connecticut, and sundry other citizens, to be second lieutenants in the Marine Corps;

Bernard N. Bloom, and sundry other officers to be ensigns in the Navy; Joseph W. Neudecker, Jr., to be an assistant civil engineer in the Navy; and Francis Roche, to be an assistant paymaster in the Navy with the rank of ensign;

George F. Stearns, Jr., and sundry other officers for appointment in the United States Navy;

Lt. Col. Cranford Coleman Bryan Warden, and sundry other officers for appointment, by transfer, in the Regular Army of the United States;

Brig. Gen. Edward Courtney Bullock Danforth, Jr., and sundry other officers for appointment in the Officers' Reserve Corps in the Army of the United States; and

Florence A. Blanchfield, and sundry other persons for appointment in the Regular Army in the Army Nurse Corps.

By Mr. CAPPER, from the Committee on Agriculture and Forestry:

James Earl Wells, Jr., of South Dakota, to be Cooperative Bank Commissioner of the Farm Credit Administration.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER (by request):

S. 1565. A bill to provide for the per capita distribution of certain funds in the Treasury of the United States to the credit of the Indians of California, and for other purposes; to the Committee on Public Lands.

By Mr. WHERRY:

S. 1566. A bill to provide for greater efficiency of the military forces of the United States in occupied countries, and for other purposes; to the Committee on Armed Services.

By Mr. WILEY:

S. 1567. A bill to provide the venue in actions brought in United States District Courts or in State courts against interstate commerce carriers by railroad for damages for wrongful death or personal injuries; to the Committee on the Judiciary.

By Mr. ECTON:

S. 1568. A bill authorizing the issuance of a patent in fee to Mary K. Reed; to the Committee on Public Lands.

By Mr. IVES:

S. 1569. A bill to provide for the construction of a water-filtration plant on the military reservation at West Point, N. Y., and for other purposes; to the Committee on Armed Services.

By Mr. VANDENBERG:

S. J. Res. 143. Joint resolution authorizing the President to approve the trusteeship agreement for the territory of the Pacific islands; to the Committee on Foreign Relations.

(Mr. IVES (for himself and Mr. WAGNER) introduced Senate Joint Resolution 144, authorizing the President to bring into effect an agreement between the United States and the United Nations for the purpose of establishing the permanent headquarters of the United Nations in the United States and authorizing the taking of measures necessary to facilitate compliance with the provisions of such agreement; and for other purposes, which was referred to the Committee on Foreign Relations, and appears under a separate heading.)

(Mr. McCARRAN (for himself, Mr. DOWNEY, Mr. KNOWLAND, and Mr. MALONE) introduced Senate Joint Resolution 145, to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River, which appears under a separate heading.)

UNIFICATION OF ARMED SERVICES—AMENDMENTS

Mr. ROBERTSON of Wyoming submitted sundry amendments intended to be proposed by him to the bill (S. 758) to promote the national security by providing for a National Defense Establishment, which shall be administered by a Secretary of National Defense, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Defense Establishment, and for the coordination of the activities of the National Defense Establishment with other departments and agencies of the Government concerned with the national security, which were severally ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 4002) making appropriations for civil functions administered by the War Department for the fiscal year ending June 30, 1948, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

PERMANENT HEADQUARTERS OF UNITED NATIONS

Mr. IVES. Mr. President, yesterday the President of the United States sent a message to the Congress transmitting an agreement which has been made between the United States and the United Nations concerning the control and administration of the United Nations headquarters in the city of New York. In the message the President urged early consideration of the matter by the Congress and asked that appropriate action be taken by joint resolution to bring about the effectiveness of the agreement, insofar as this country is concerned. The senior Senator from New York [Mr. WAGNER] and myself have been granted the privilege of introducing an appropriate joint resolution authorizing the President to bring into effect an agreement between the United States and the United Nations for the purpose of establishing permanent headquarters of the United Nations in the United States and authorizing the taking of measures necessary to facilitate compliance with the provisions of such agreement, and for other purposes.

Mr. President, I now ask unanimous consent to introduce this joint resolution and to have it referred to the appropriate committee.

The PRESIDENT pro tempore. Without objection, the joint resolution will be received and referred to the Committee on Foreign Relations.

There being no objection, the joint resolution (S. J. Res. 144) authorizing the President to bring into effect an agreement between the United States and the United Nations for the purpose of establishing the permanent headquarters of the United Nations in the United States and authorizing the taking of measures necessary to facilitate compliance with the provisions of such agreement; and for other purposes, introduced by Mr. IVES (for himself and

Mr. WAGNER), was received, read twice by its title and referred to the Committee on Foreign Relations.

INTERSTATE WATER RIGHTS IN COLORADO RIVER SYSTEM

Mr. McCARRAN. Mr. President, the Senate Committee on Public Lands has under consideration Senate bill 1175, a bill to authorize the construction of the central Arizona project.

THE PROJECT

The project would consist primarily of the Bridge Canyon Dam on the Colorado River above Boulder Dam, and an aqueduct to transport Colorado River water to central Arizona, through tunnels over 80 miles long, bypassing Boulder Dam. Initially, however, instead of building these tunnels, a branch or alternate aqueduct would be built from Parker Dam, lifting the water by pumping nearly a thousand feet, to join the ultimate Bridge Canyon aqueduct route at a junction point part way to the Phoenix area, and using about a third of the Bridge Canyon power. The remaining two-thirds would be sold. The potential customers are supposed to be in California, Nevada, and Arizona.

COST

The ultimate project will cost over $1,000,000,000. The initial part of it, involving the Parker pumping route, will cost over $600,000,000. This latter figure is about the same as the estimated cost of the St. Lawrence seaway, and five times the cost of the Boulder Canyon project.

FINANCING PLAN

Under the plan set up by the bill, no part of the capital cost will be repaid by the Arizona irrigators. Either the Federal Treasury, or the power users, are expected to pay for all of it.

The water will be sold to the irrigators at $4.50 per acre-foot, which, according to the Reclamation Bureau, is less than the cost of operation and maintenance alone.

SUBSIDIES REQUIRED

The power users or the Federal taxpayers will have to provide not only the six hundred million to one billion of capital costs, but also over $3,000,000 per year in operating expense.

The scheme does not contemplate that the Treasury will get any interest on its power investment. The amortization period is estimated at over 80 years. The lost interest alone, for 80 years at 2 percent, is over a billion dollars, even if the capital is recovered; and during the same period the Federal taxpayers or the power users would have to carry the burden of over a quarter billion dollars of operating expense that the water users cannot pay.

IMPORTANCE OF POWER TO NEVADA

Abundant cheap power is essential to Nevada. Bridge Canyon power site, properly developed, can be an asset to Nevada and the other intermountain areas within transmission distance. But as proposed in this bill, a million and a quarter acre-feet would ultimately bypass Boulder and Davis Dams, reducing the power Nevada is entitled to at such projects. More important, Bridge Canyon power itself would be loaded with over $300,000,000 of subsidy to an Arizona irrigation project. When the Boulder Canyon Project Act was debated, Nevada insisted that power at Boulder Dam should not have to pay for any part of the All-American Canal. The power users of Nevada are entitled to have the same principle apply to Bridge Canyon.

RELATION TO NATIONAL DEBT

Coming on the heels of an effort to reduce Federal income taxes four billions, and to reduce the current budget by a comparable figure, any project that adds over a billion to the interest burden on the taxpayers deserves mature consideration.

The bill has not been reported upon by the Interior Department. The Reclamation Bureau has not completed its investigations, and hence is not yet ready to submit its proposed plans to the seven affected States for their comment, as is required by the O'Mahoney-Millikin amendments to the Flood Control Act of 1944; furthermore, it will not be ready to do so for another year. The procedure used here would make a dead letter of the O'Mahoney-Millikin amendments. The project has not cleared the Bureau of the Budget. The Boulder Canyon Project Act involved only one-fifth as much money, but Arizona opposed it and kept it before Congress for many years. In spite of all this, the project's sponsors are pressing the Arizona delegation to get it reported and passed. The Congress is being deluged with publicity and propaganda in its favor.

WATER

The enormous investment proposed in Senate bill 1175 is a gamble on an uncertain water supply. As the direct result of the Mexican Water Treaty, which was opposed by two of the three Lower Basin States and by most of the water users in Arizona, but which was supported by the sponsors of Senate bill 1175, the lower basin is confronted with a catastrophic water shortage. Commissioner Bashore furnished the Senate, at my request, figures published in Senate Document 39, Seventy-ninth Congress, showing that the face amount of the Government's commitments in the lower basin would exceed the supply available in a dry decade like 1931–40, after the upper basin is fully developed, by well over 2,000,000 acre-feet per year, and that even after drawing down Boulder Dam storage 1,500,000 acre-feet a year, there would be a deficit of over three-quarters of a million acre-feet annually. In the hearings on Senate bill 1175, Arizona's expert, Mr. Debler, has admitted that Boulder Canyon storage cannot safely be drawn down more than 900,000 acre-feet a year, and that in order to make good on the Mexican treaty, the upper basin must be called upon to increase its deliveries at Lee Ferry and reduce its own uses for periods as long as 20 years at a time.

NECESSITY FOR ADJUDICATION

Obviously, the Government should not risk a billion dollars or any part of it on a project dependent on an uncertain water supply. This project's supply is uncertain. It has a supply, at all, only if the Colorado River Compact is construed as Arizona wants it construed. Nevada and California are not in agreement with Arizona's interpretations. Governor Warren, of California, and Governor Pittman, of Nevada, have offered to Governor Osborn, of Arizona, either to negotiate, arbitrate, or join in obtaining authorization by Congress for a suit in the Supreme Court. The permission of Congress is necessary to the latter course, because the United States is a necessary party. Arizona has replied, refusing to negotiate or arbitrate or litigate. She wants a political settlement in Congress. The water rights involved here are States' rights, not subject to disposition by Congress.

To put this matter at rest, the Senators from Nevada and California are joining in introducing a joint resolution to authorize suit. This jurisdictional measure should be speedily considered and passed. Pending its disposition, no action should be taken on any large consumptive use projects in the lower basin.

I ask unanimous consent to introduce the joint resolution for appropriate reference.

There being no objection, the joint resolution (S. J. Res. 145) to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River, introduced by Mr. McCARRAN (for himself, Mr. DOWNEY, Mr. KNOWLAND, and Mr. MALONE), was received, and read twice by its title.

BRANCH BANKS—ADDRESS BY W. J. BRYAN

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address by W. J. Bryan, vice president of the Third National Bank of Nashville, Tenn., before the Independent Bankers Association, on the subject of branch banks, published in the Bank and Insurance Stock Guide, which appears in the Appendix.]

KEEP YOUR SHIRT ON, FELLOW—LETTER FROM GARRETT MATTINGLY

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a letter written by Garrett Mattingly, dealing with our relations with Russia, published in the June 1947 issue of Woman's Day, which appears in the Appendix.]

NEGLECT OF NEGRO EDUCATION CREATES PROBLEM—ARTICLE BY RALPH W. PAGE

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article entitled "Neglect of Negro Education Creates Problem," by Ralph W. Page, from the Philadelphia Evening Bulletin of April 19, 1947, which appears in the Appendix.]

DOUBLE TAXATION CONVENTION WITH UNION OF SOUTH AFRICA—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDENT pro tempore. As in executive session the Chair lays before the Senate a message from the President of the United States transmitting to the Senate for its consideration Executive FF, Eightieth Congress, first session, a convention between the United States and the Union of South Africa with respect to double taxation. Without objection, the injunction of secrecy will be removed from the convention; and, without objection, the message from the President, together with the convention, will

be printed in the RECORD and referred to the Committee on Foreign Relations. The Chair hears no objection.

The message, together with the convention, was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the convention between the United States of America and the Union of South Africa, signed at Capetown on April 10, 1947, in the English and Afrikaans languages, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons.

I also transmit for the information of the Senate the report by the Secretary of State with respect to the convention.

The convention has the approval of the Department of State and the Treasury Department.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 3, 1947.*

(Enclosures: (1) Report of the Secretary of State; (2) Convention of April 10, 1947, between the United States and the Union of South Africa with respect to taxes on the estates of deceased persons.)

DEPARTMENT OF STATE,
Washington, July 2, 1947.

THE PRESIDENT,
The White House:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a convention between the United States of America and the Union of South Africa for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons, signed at Capetown on April 10, 1947.

The Department of State and the Treasury Department collaborated in the negotiation of the convention. It has the approval of both Departments.

In its purposes, to afford taxpayers relief from double taxation and to facilitate cooperation between the tax authorities of the two countries in preventing tax evasion, the convention is similar to the two conventions presently in force between the United States and other countries with respect to estate taxes, namely, the convention of June 8, 1944, with Canada (Senate Executive Rept. No. 3, 78th Cong., 2d sess) and the convention of April 16, 1945, with the United Kingdom of Great Britain and Northern Ireland (Senate Executive Rept. No. 5, 79th Cong., 2d sess.).

The negotiation with the Union of South Africa with a view to the conclusion of the convention began in the summer of 1944 and, with the exception of comparatively minor matters, was completed in 1946. In most respects the convention of April 16, 1945, between the United States and the United Kingdom served as a pattern. It is a matter of interest that that convention has served also as a pattern for a convention relating to estate taxation between the United Kingdom and the Union of South Africa.

The convention with the Union of South Africa, submitted herewith, is similar to the one with Canada and the one with the United Kingdom on the same subject, in that double taxation is avoided principally by means of credit provisions. In the case of a deceased person who, at the time of death, was domiciled in or was a citizen of the United States, a credit is allowed against the Federal estate tax for estate duty paid the Union of South Africa with respect to property situated in the Union and subjected to taxation by both countries. In the case of a deceased person who, at the time of death, was ordinarily resident in the Union of South Africa, a credit is allowed against the Union estate duty for estate tax paid the United States with respect to property situated in the United States and subjected to taxation by both countries. It is possible under the respective laws of the two countries for a decedent, at the time of death, to be domiciled in the United States and also ordinarily resident in the Union.

As in the application of the conventions with Canada and the United Kingdom, the convention with the Union of South Africa extends in its application, so far as the United States is concerned, only to estate taxes imposed by the Federal Government. The imposition and collection of inheritance or estate taxes by States or Territories of the United States or by the District of Columbia are not restricted. Moreover, the credit allowed under the convention (art. V) is subordinated to and has no effect upon the credit against the Federal estate tax authorized by section 813 (b) of the Internal Revenue Code for inheritance, estate, legacy, or succession taxes paid to the States, Territories, or possessions of the United States, or to the District of Columbia. Likewise, the credit for gift tax authorized by sections 813 (a) and 936 (b) of the Internal Revenue Code is not affected by the convention.

The provisions concerning the exchange of information and assistance in the collection of taxes are, like the corresponding provisions in tax conventions now in force between the United States and other countries, deemed essential for the full effectiveness of the substantive provisions regarding exemptions and credits.

The provisions of the convention are contained in 14 articles. The following explanations, supplementing those which have been given above, may be useful in considering the specific provisions:

Article I specifies the taxes to which the convention applies. Article II contains definitions of terms found in the convention and provides that terms not defined in the convention shall have the meanings which they have under the laws of the respective countries, unless the context of the convention requires otherwise.

Article III specifies the rules that are to apply in determining domicile in the United States and ordinary residence in the Union of South Africa and in determining the situs of property for certain purposes. Paragraph (1) of article III provides that domicile in the United States is to be determined according to United States law and that ordinary residence in the Union is to be determined according to Union law. The estate tax or estate duty is imposed with respect to property situated in the taxing country regardless of the decedent's domicile or residence at the time of death. The United States imposes its estate tax also upon the basis of citizenship or nationality. The Union does not. If the decedent were, at the time of death, domiciled in the United States, the United States includes in the gross estate for tax purposes all personal property situated outside the United States. The Union, however, includes personal property situated outside Union territory only if the decedent were, at the time of death, ordinarily resident in the Union.

The Union's death duty law does not use the term "domicile," but uses the term "ordinarily resident," defining that term as meaning habitually resident or resident in the ordinary course of the person's life. Consequently a person may be domiciled in the United States under United States law and at the same time be ordinarily resident in the Union under the Union law. The only feasible recourse for the purposes of this convention was to leave the respective laws of the two countries in these respects unchanged, but to undertake, in paragraph (2) of article III, to lay down rules of situs with respect to various classes of property. These rules are adopted for the dual purpose of (a) determining the property which may be included for estate-tax purposes where the tax is imposed upon the basis of situs within the taxing country, and (b) determining the credit contemplated by article V of the convention.

The situs rules are expressly limited to estates of decedents who were domiciled in the United States or ordinarily resident in the Union at the time of death. A similar limitation is found in the existing estate-tax convention between the United States and the United Kingdom (art. III). At the end of paragraph (2) of article III of the convention submitted herewith there is a proviso which restricts the application of the situs rules for purposes of taxation by one of the countries to property not included for tax purposes by the other country. For example, if a decedent were not domiciled in or a citizen of the United States, but were ordinarily resident in the Union at the time of death, the application of the Federal estate tax to particular property will not be restricted by the situs rules if that property be not actually subjected to the Union estate duty.

The situs of property not covered by article III will be determined in accordance with the law of the taxing country which does not allow a credit under article V. The Treasury Department will be in a position to furnish such detailed explanations as may be desired concerning the application of the situs rules to specific classes of property.

Article IV corresponds to article IV of the existing convention with the United Kingdom. As in that convention, it is provided that deductions shall be allowed as authorized under the law of the taxing country and that neither country, in imposing tax on the basis of situs of property within its territory, shall take into account, in determining the amount or rate of tax, property situated outside its territory. This confirms the existing practices in both countries.

Article V is the credit article, corresponding to article V of the existing convention with the United Kingdom and to article VI of the existing convention with Canada. Double taxation is avoided by the allowance of a credit by each country against its tax for the tax imposed by the other country. Needless to say, the credit is allowed only with respect to property which is subject to tax in both countries. Moreover, the credit is not to exceed that part of the tax imposed by the country allowing the credit which is attributable to the property subjected to tax in both countries. The amount of the tax attributable to property, when that property is part of a gross estate which is taxed at graduated rates, is in the same proportion to the entire tax as the proportion of the value of the specific property to the value of the gross estate subject to tax.

Paragraph (1) of article V provides for a credit in the case of a deceased citizen of the United States who was domiciled abroad at the time of death. It is provided that in such case there will be allowed against the United States estate tax a credit for Union estate duty imposed on property situated within the Union. If that decedent were ordinarily resident in the Union at the time of death, the Union also will allow a credit against its estate duty, in accordance with paragraph (2).

Paragraph (2) of article V provides that (a) in the case of a decedent domiciled in the United States and not ordinarily resident in the Union at the time of death, a credit will be allowed against the United States estate tax for Union estate duty imposed on that part of the estate situated within the Union, and (b) in the case of a decedent ordinarily resident in the Union and not domiciled in the United States at the time of death, a credit will be allowed against the Union estate duty for United States estate tax imposed upon that part of the estate situated within the United States.

Paragraph (3) of article V provides formulas to cover the allowance of credits in the case of a decedent who, at the time of death, is regarded by the United States as being domiciled within this country and is regarded at the same time by the Union as being ordinarily resident within the Union.

Paragraph (4) provides in effect that the credit is to be computed after taking into account any other credit, allowance or relief, or remission or reduction of tax. The effect of this provision in relation to the United States estate tax has been referred to in the sixth paragraph of this report.

Paragraph (5) of article V provides in effect that when the Union allows a credit against its estate duty for the United States estate tax, the latter shall not also be deducted in determining the amount of the estate subject to Union estate duty.

Article VI, which provides for the filing of claims for credit or refund, corresponds to article VI of the existing convention with the United Kingdom.

Articles VII to XI, inclusive, contain provisions with respect to administrative cooperation, including provisions for the furnishing of information and for assistance in collection of taxes. Article VII, corresponding to article VII of the existing convention with the United Kingdom and article VII of the existing convention with Canada, embodies the principle of reciprocal exchange of information with a view to the more effective operation of the convention. Article VIII, which follows in general the formula of article XVII of the existing convention with Sweden regarding income taxes, provides for mutual assistance in the collection of the taxes to which the convention relates. Article IX contains provisions regarding costs incurred in administering the provisions of the convention and restricts the use of the information furnished under the convention to the determination and collection of the taxes. Article X, corresponding to article X of the existing convention with Canada, relates to the authority of the competent authorities to prescribe the regulations necessary to interpret and carry out the provisions of the convention. Article XI, corresponding to article XI of the existing convention with Canada, relates to the right of taxpayers, when they can show that double taxation has resulted or may result, to lodge claims or protests with the competent authorities of either of the two countries.

Article XII expresses the understanding that the convention shall not restrict any exemption, deduction, credit, or other allowance accorded by the laws of either country in the determination of the tax imposed by it. This corresponds to article XII in the existing convention with Canada regarding estate taxes and succession duties, and to provisions in conventions with a number of countries regarding income taxes.

Article XIII provides for ratification and for the exchange of instruments of ratification. It prescribes that the convention shall come into force on the date of exchange of instruments of ratification and shall be effective only as to (a) estates of persons dying on or after that date, and (b) the estate of any person dying before that date and after June 30, 1944, whose personal representative elects, in such manner as may be prescribed, that the provisions of the convention shall be applied to such estate. This formula is similar to that prescribed in article X of the existing estate-tax convention with the United Kingdom.

Article XIV provides that the convention shall remain in force for a period of 3 years, but may be terminated at the end of that period or at any time thereafter, according to the procedure and with the effect specified, by the giving of a written notice to that effect by one of the governments to the other government.

Respectfully submitted.

G. C. MARSHALL.

CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOUTH AFRICA WITH RESPECT TO TAXES ON THE ESTATES OF DECEASED PERSONS

The Government of the United States of America and the Government of the Union of South Africa, desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons, have appointed as their respective Plenipotentiaries:

The Government of the United States of America: General Thomas Holcomb, Envoy Extraordinary and Minister Plenipotentiary of the United States of America; and

The Government of the Union of South Africa: Field Marshal the Right Honourable Jan Christiaan Smuts, Prime Minister and Minister of External Affairs of the Union of South Africa.

Who, having exhibited their respective full powers, found in good and due form, have agreed as follows:

ARTICLE I

(1) The taxes which are the subject of the present Convention are:

(a) In the United States of America, the Federal estate tax, and

(b) In the Union of South Africa, the estate duty imposed by the Union.

(2) The present Convention shall also apply to any other taxes of a substantially similar character imposed by either Contracting Party subsequently to the date of signature of the present Convention.

ARTICLE II

(1) In the present Convention, unless the context otherwise requires:

(a) The term "United States" means the United States of America, and when used in a geographical sense means the States, the Territories of Alaska and of Hawaii, and the District of Columbia.

(b) The term "Union" means the Union of South Africa.

(c) The term "territory", when used in relation to one or the other Contracting Party, means the United States or the Union, as the context requires.

(d) The term "tax" means the United States Federal estate tax or the estate duty imposed by the Union, as the context requires.

(e) The term "Commissioner for Inland Revenue" means the Commissioner for Inland Revenue of the Union or his duly authorised representative.

(f) The term "Commisssioner of Internal Revenue" means the Commissioner of Internal Revenue of the United States, or his duly authorised representative.

(g) The term "competent authority" means the Commissioner for Inland Revenue or the Commissioner of Internal Revenue and their duly authorised representatives.

(h) The term "corporation" when used in relation to the Union shall be regarded as the equivalent of the term "company" as used in the revenue laws of that State.

(2) In the application of the provisions of the present Convention by one of the Contracting Parties, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting Party relating to the taxes which are the subject of the present Convention.

ARTICLE III

(1) For the purposes of the present Convention, the question whether a decedent was at the time of his death domiciled in any part of the United States or ordinarily resident in any part of the Union shall be determined in accordance with the laws in force in the United States and the Union respectively.

(2) Where a person was at the time of his death domiciled in any part of the United States or ordinarily resident in any part of the Union, then as regards the United States the situs of any of the following rights and interests, legal or equitable, which for the purposes of tax form part of the estate of such person or pass on his death, shall, for the purposes of the imposition of tax, be determined exclusively in accordance with the following rules, and as regards the Union, tax may be imposed on any of the following rights or interests which are deemed under those rules to be situated in its territory, but shall not be imposed on any of the said rights or interests which are deemed to be situated outside its territory unless such person was at the time of his death ordinarily resident in some part of its territory:

(a) Rights or interests (otherwise than by way of security) in or over immovable property shall be deemed to be situated at the place where such property is located;

(b) Rights or interests (otherwise than by way of security) in or over tangible movable property, other than such property for which specific provision is hereinafter made, and in or over bank or currency notes, other forms of currency recognised as legal tender in the place of issue, negotiable bills of exchange and negotiable promissory notes, shall be deemed to be situated at the place where such property, notes, currency or documents are located at the time of death, or, if in transitu, at the place of destination;

(c) Debts, secured or unsecured, including securities issued by any government, municipality or public authority and debentures and debenture stock issued by any corporation, but excluding the forms of indebtedness for which specific provision is made herein, shall be deemed to be situated in the United States if the decedent was at the time of his death domiciled in some part of the United States, and in the Union if the decedent was at the time of his death ordinarily resident in some part of the Union;

(d) Shares or stock in a corporation (including shares or stock held by a nominee where the beneficial ownership is evidenced by scrip certificates or otherwise) shall be deemed to be situated at the place in or under the laws of which such corporation was created or organised;

(e) Monies payable under a policy of assurance or insurance on the life of the decedent shall be deemed to be situated in the United States if the decedent was at the time of his death domiciled in some part of the United States, and in the Union if the decedent was at the time of his death ordinarily resident in some part of the Union;

(f) Ships and aircraft and shares thereof shall be deemed to be situated at the place of registration or documentation of the ship or aircraft;

(g) Goodwill as a trade, business or professional asset shall be deemed to be situated at the place where the trade, business or profession to which it pertains is carried on;

(h) Patents, trade marks and designs shall be deemed to be situated at the place where they are registered;

(i) Copyright, franchises, and rights or licences to use any copyrighted material, patent, trade mark or design shall be deemed

to be situated at the place where the rights arising therefrom are exercisable;

(j) Rights or causes of action ex delicto surviving for the benefit of an estate of a decedent shall be deemed to be situated at the place where such rights or causes of action arose;

(k) Judgment debts shall be deemed to be situated at the place where the judgment is recorded·

Provided that if, apart from this paragraph, tax would be imposed by one Contracting Party on any property, this paragraph shall not apply to such property unless, by reason of its application or otherwise, tax is imposed or would but for some specific exemption be imposed thereon by the other Contracting Party.

ARTICLE IV

(1) In determining the amount on which tax is to be computed permitted deductions shall be allowed in accordance with the law in force in the territory in which the tax is imposed.

(2) Where tax is imposed in the United States on the death of a person who was not domiciled in any part of the United States but was ordinarily resident in some part of the Union, or where tax is imposed in the Union on the death of a person who was not ordinarily resident in any part of the Union but was domiciled in some part of the United States, no account shall be taken, in determining the amount or rate of the tax so imposed, of property which is deemed under paragraph (2) of Article III to be situated outside the territory of the Contracting Party imposing such tax: *Provided,* That this paragraph shall not apply as respects tax imposed in the United States in the case of a United States citizen who at the time of his death was ordinarily resident in the Union.

ARTICLE V

(1) Where the United States imposes tax by reason of a decedent's being its national, the United States shall allow against so much of its tax (as otherwise computed) as is attributable to property situated in the Union a credit (not exceeding the amount of the tax so attributable) equal to so much of the tax imposed in the Union as is attributable to that property; but this paragraph shall not apply in a case to which paragraph (2) (a) or paragraph (3) is applicable.

(2) Where each Contracting Party imposes tax on any property on the death of a person who at the time of his death was—

(a) domiciled in some part of the United States but not ordinarily resident in any part of the Union, or

(b) ordinarily resident in some part of the Union but not domiciled in any part of the United States,

the Contracting Party in some part of whose territory such person was so domiciled or ordinarily resident shall allow against so much of its tax (as otherwise computed) as is attributable to that property a credit (not exceeding the amount of the tax so attributable) equal to so much of the tax imposed in the territory of the other Contracting Party as is attributable to such property; provided that this paragraph shall not apply as respects tax imposed by the United States solely by reason of a decedent's being its national which is attributable to property situated outside the United States.

(3) Where each Contracting Party imposes tax on property on the death of a person who at the time of his death was domiciled in some part of the United States and ordinarily resident in some part of the Union—

(a) in the case of any property which is deemed under paragraph (2) of Article III to be situated in the territory of one only of the Contracting Parties, the other Contracting Party shall allow against so much of its tax (as otherwise computed) as is attributable to that property a credit (not exceeding the amount of the tax so attributable) equal to so much of the tax imposed in the territory of the first mentioned Contracting Party as is attributable to such property;

(b) in the case of any other property each Contracting Party shall allow against so much of its tax (as otherwise computed) as is attributable to the property a credit which bears the same proportion to the amount of its tax so attributable or to the amount of the other Party's tax attributable to the same property, whichever is the less, as the former amount bears to the sum of both amounts.

(4) For the purposes of this Article, the amount of the tax of a Contracting Party attributable to any property shall be ascertained after taking into account any credit, allowance or relief, or any remission or reduction of tax, otherwise than in respect of tax payable in the territory of the other Contracting Party.

(5) The allowance by the Union under this Article of a credit for tax imposed in the United States in respect of any property shall be subject to the condition that no deduction in respect of the tax so imposed shall be made for the purpose of determining the amount of the estate on which tax is chargeable in the Union.

ARTICLE VI

(1) Any claim for a credit or for a refund of tax founded on the provisions of the present Convention shall be made within six years from the date of the death of the decedent in respect of whose estate the claim is made, or, in the case of a reversionary interest where payment of tax is deferred until on or after the date on which the interest falls into possession, within six years from that date.

(2) Any such refund shall be made without payment of interest on the amount so refunded.

ARTICLE VII

With a view to the more effective imposition of the taxes to which the present Convention relates, each of the Contracting Parties undertakes to furnish to the other Contracting Party such information in the matter of taxation, which the competent authority of the former Contracting Party has at his disposal or is in a position to obtain under the laws of that Party, as may be of use to the competent authority of such other Party in the assessment of the taxes to which the present Convention relates and to lend assistance in the service of documents in connection therewith. Such information and correspondence relating to the subject matter of this Article shall be exchanged between the competent authorities of the Contracting Parties in the ordinary course or on request.

ARTICLE VIII

(1) Each Contracting Party undertakes to lend assistance and support in the collection of the taxes to which the present Convention relates, together with interest, costs, and additions to the taxes and fines not being of a penal character. The Contracting Party making such collections shall be responsible to the other Contracting Party for the sums thus collected.

(2) In the case of applications for enforcement of taxes, revenue claims of each of the Contracting Parties which have been finally determined shall be accepted for enforcement by the other Contracting Party and collected in the territory of that Party in accordance with the laws applicable to the enforcement and collection of its own taxes.

(3) The application shall be accompanied by such documents as are required by the laws of the Contracting Party making the application to establish that the taxes have been finally determined.

(4) If the revenue claim has not been finally determined the Contracting Party to which application is made may, at the request of the other Contracting Party, take such measures of conservancy as are authorized by the revenue laws of the former Party in relation to its own taxes.

ARTICLE IX

(1) In the administration of the provisions of the present Convention relating to exchange of information, service of documents, and mutual assistance in collection of taxes, fees and costs incurred in the ordinary course shall be borne by the Contracting Party to which application is made but extraordinary costs incident to special forms of procedure shall be borne by the applying Party.

(2) Documents and other communications or information contained therein, transmitted under the provisions of the present Convention by one of the competent authorities to the other shall not be used by the latter except in the performance of his duty in the determination, assessment and collection of the taxes.

ARTICLE X

(1) Such regulations as may be necessary to interpret and carry out the provisions of the present Convention may be prescribed by each of the Contracting Parties. With respect to the provisions of the present Convention relating to exchange of information, service of documents and mutual assistance in the collection of taxes, the competent authorities may, by common agreement, prescribe rules concerning matters of procedure, forms of application and replies thereto, conversion of currency, disposition of amounts collected, minimum amounts subject to collection, and related matters.

(2) The competent authorities of the two Contracting Parties may communicate with each other directly for the purpose of giving effect to the provisions of the present Convention.

ARTICLE XI

If any person liable for any of the taxes to which the present Convention relates can show that double taxation has resulted or may result in respect of such taxes he shall be entitled to lodge a claim or protest with the Contracting Party of which he is a citizen or resident, or, if a corporation or other entity, with the Contracting Party in which created or organized. If the claim or protest should be deemed worthy of consideration, the competent authority of such Party may consult with the competent authority of the other Party to determine whether the alleged double taxation exists or may occur and if so whether it may be avoided in accordance with the terms of the present Convention.

ARTICLE XII

The provisions of the present Convention shall not be construed to restrict in any manner any exemption, deduction, credit or other allowance now or hereafter accorded by the laws of one of the Contracting Parties in the determination of the tax imposed by such Contracting Party.

ARTICLE XIII

(1) The present Convention shall be ratified and the instruments of ratification shall be exchanged at Washington as soon as possible.

(2) The present Convention shall come into force on the date of exchange of instruments of ratification and shall be effective only as to—

(a) the estates of persons dying on or after such date; and

(b) the estate of any person dying before such date and after the 30th day of June, 1944, whose personal representative elects, in such manner as may be prescribed, that the provisions of the present Convention shall be applied to such estate.

ARTICLE XIV

(1) The present Convention shall remain in force for not less than three years after the date of its coming into force.

(2) If, not less than six months before the expiration of such period of three years, neither of the Contracting Parties shall have given to the other Contracting Party, through diplomatic channels, written notice of its intention to terminate the present Convention, the Convention shall remain in force after such period of three years until either of the Contracting Parties shall have given written notice of such intention, in which event the present Convention shall not be effective as to the estates of persons dying on or after the date (not being earlier than the sixtieth day after the date of such notice) specified in such notice, or, if no date is specified, on or after the sixtieth day after the date of such notice.

In witness whereof the above-mentioned Plenipotentiaries have signed the present Convention and have affixed thereto their seals.

Done at Cape Town, in duplicate, in the English and Afrikaans languages, the tenth day of April, 1947.

For the Government of the United States of America:

[SEAL] T HOLCOMB

For the Government of the Union of South Africa:

[SEAL] J C SMUTS

APPROPRIATIONS FOR DEPARTMENTS OF STATE, JUSTICE, ETC.—CONFERENCE REPORT

Mr. BALL. Mr. President, I submit a conference report on House bill 3311, making appropriations for the Departments of State, Justice, Commerce, and so forth, and I ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. The conference report will be read for the information of the Senate.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3311) making appropriations for the Departments of State, Justice and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 36, 52, and 61.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 8, 10, 11, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 31, 32, 33, 34, 39, 40, 41, 42, 44, 45, 47, 48, 49, 50, 51, 53, 55, 58, 60, 62, 64, 65, 67, 68, 69, 70, 71, 72, 74, 76, 78, 79, 83, 84, and 86; and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$30,067,250"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$48,737,750"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$700,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$75,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$3,600,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert "thirteen"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$3,900,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows:

"Pay and expenses of bailiffs: For pay of bailiffs, not exceeding one bailiff in each court, and meals and lodging for bailiffs or deputy marshals in attendance upon juries when ordered by the court, $50,000: *Provided*, That none of this appropriation shall be used for the pay of bailiffs when deputy marshals or marshals or court criers are available for the duties ordinarily executed by bailiffs, the fact of unavailability to be determined by the certificate of the marshal."

And the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,700,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,500,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,240,000"; and the Senate agree to the same

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,000,000"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,155,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 5, 7, 9, 26, 35, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85.

JOSEPH H. BALL,
STYLES BRIDGES,
KENNETH S. WHERRY,
PAT MCCARRAN,
KENNETH MCKELLAR,
Managers on the Part of the Senate.

KARL STEFAN,
WALT HORAN,
IVOR D. FENTON,
JOHN J. ROONEY,
J. VAUGHAN GARY,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the request for the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. BALL. Mr. President, I move that the Senate agree to the report, and I wish to make a brief statement regarding what has been agreed upon by the conferees.

In respect to the information and cultural program, for which the House allowed nothing and the Senate appropriated $13,400,000, we had to reduce the appropriation by $1,000,000 in the conference; but the conferees agreed to leave the appropriation for the shortwave broadcasting program untouched and to make the reduction in other items.

The House also insisted on deleting the authorization passed by the Senate to permit the OIC to spend $5,000 for entertainment purposes.

As to the regular activities of the State Department, where the Senate allowed an increase of $1,500,000, the conferees agreed on $1,400,000.

The Senate also had increased the allowance for the research and intelligence program for the State Department by $500,000, and the conferees agreed on a $400,000 increase over the appropriation allowed by the House.

In respect to the representation allowances for Foreign Service officers, as to which the Senate had restored the amount of $500,000, placing this item at $1,000,000, the conferees agreed on $700,000.

In respect to the appropriation for international activities, with respect to which the Senate had increased the appropriation from $3,000,000 to $3,700,000, the conferees agreed upon $3,600,000.

With respect to the program of cooperation with the American Republics, the Senate had increased the appropriation from $3,000,000 to $4,300,000. The conferees agreed upon $3,900,000.

Those are the major items. The conferees reduced by $2,470,000 the allowances made in the bill as passed by the Senate, and increased by $50,000 the allowances as made by the Senate, making a net reduction from the allowances made by the Senate of $2,420,000.

Mr. President, I may state that in the appropriations for the Census Bureau, the House committee at one time proposed language, which went out on a point of order on the floor of the House,

requiring the Census Bureau to consolidate in New York City the gathering of foreign-trade statistics. That language went out on the floor of the House, and in place of it they inserted a limitation on the amount which could be spent for personal services in the National Capital. The managers on the part of the House in their report state that it is their intention that the Census Bureau consolidate in New York City the gathering of foreign-trade statistics. However, in the conference the conferees on the part of the Senate stated very plainly that it was their intention to leave with the Secretary of Commerce discretion as to where these particular statistics should be gathered. I think that should be made clear at this time in presenting the matter on the floor of the Senate.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. LUCAS. Was any change made with respect to the amount which was restored by the Senate to take care of clerks and stenographers for Federal judges?

Mr. BALL. No; that provision was adopted by the House. That was new language, and the conferees on the part of the House approved that amendment, and took it back separately.

Mr. LUCAS. Very well. Let me ask what is the actual difference between the appropriations as passed by the House and the appropriations as finally agreed upon by the conferees?

Mr. BALL. The net increase over what the House originally allowed is $12,199,440. However, our major increases were made in the items for the Department of State. I think the net total increases for the State Department in conference, were about $16,000,000 but some of that was offset by a reduction of $2,500,000 in the amount allowed for Philippine rehabilitation, due to the fact that that program is moving so slowly.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3311, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
July 3, 1947.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 7, 9, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85 to the bill (H. R. 3311) making appropriations for the Departments of State, Justice and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 2 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert: "employment of aliens and temporary employment of persons in the United States, without regard to civil service and classification laws (not to exceed $20,000)."

That the House recede from its disagreement to the amendment of the Senate numbered 5 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by the said amendment insert: "acquisition, production and free distribution of informational materials for use in connection with the operation, independently or through individuals, including aliens, or public or private agencies (foreign or domestic), and without regard to section 3709 of the Revised Statutes of an information program outside of the continental United States, including the purchase of radio time (except that funds herein appropriated shall not be used to purchase more than 75 percent of the effective daily broadcasting time from any person or corporation holding an international short-wave broadcasting license from the Federal Communications Commission without the consent of such licensee), and the purchase, rental, construction, improvement, maintenance, and operation of facilities for radio transmission and reception; purchase and presentation of various objects of a cultural nature suitable for presentation (through diplomatic and consular offices) to foreign governments, schools, or other cultural or patriotic organizations, the purchase, rental, distribution, and operation of motion-picture projection equipment and supplies, including rental of halls, hire of motion-picture projector operators, and all other necessary services by contract or otherwise without regard to section 3709 of the Revised Statutes."

That the House recede from its disagreement to the amendment of the Senate numbered 26 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by the said amendment insert: "entertainment."

That the House recede from its disagreement to the amendment of the Senate No. 35 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by the said amendment insert the following: "not to exceed $5,000 for entertainment."

Mr. BALL. Mr. President, I move that the Senate agree to the amendments of the House to the amendments of the Senate numbered 2, 5, 26, and 35. These are merely technical changes in language, which do not change the effect.

The motion was agreed to.

NOMINATION OF JOE B. DOOLEY

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD certain letters and communications relating to the confirmation of the nomination of Joe B. Dooley.

There being no objection, the letters and communications were ordered to be printed in the RECORD, as follows:

ENDORSEMENT OF JOE B. DOOLEY BY MEMBERS OF THE SUPREME COURT OF TEXAS

THE SUPREME COURT OF TEXAS,
Austin, June 18, 1947.

Hon. ALEXANDER WILEY,
Chairman, Senate Judiciary Committee,
Washington, D. C.

DEAR SENATOR: I have been intending to write you for some time concerning the confirmation of the Honorable Joe B. Dooley, of Amarillo, for United States district judge for the northern district of Texas, but have postponed writing because I had hoped the Senate would confirm this appointment without further delay.

I have known Mr. Dooley for approximately 15 years. I know him to be one of the outstanding, high-class, reputable lawyers of this State.

As evidence of his reputation for outstanding ability, the Supreme Court of Texas in 1940 appointed him as one of a committee of 21 members to rewrite the rules of civil procedure of this State. I served with him on that committee and I know that he rendered outstanding service to his State. As evidence of his standing among the members of the bar of this State, he was elected president of the State Bar of Texas in 1944 by popular vote of the more than 8,000 members of this bar.

Mr. Dooley is conservative in his views. He is possessed of a judicial temperament, and by training and experience is fully qualified for the position. Certainly you and your colleagues could have no objection to him on this score.

It seems to me that it would have a very demoralizing effect on the judiciary of this Nation if a fine, outstanding, reputable, unblemished lawyer could not secure confirmation by the Senate to an appointment on the Federal judiciary. I fear that this would be construed by those inexperienced in public affairs as evidence that legal ability and honorable reputation are not of controlling importance in the selection of men for the judiciary.

I hope you will see your way clear to use your influence in bringing about the confirmation of Mr. Dooley.

Most sincerely yours,
JAMES P. ALEXANDER.

THE SUPREME COURT OF TEXAS,
Austin, June 26, 1947.

Hon. JOE DOOLEY,
Care, Senator Tom Connally,
Washington, D. C.

DEAR MR. DOOLEY: I heartily desire that the Senate adopt the majority report of its Judiciary Committee recommending your selection to succeed District Judge Wilson, of Fort Worth. I know of no better selection that could be made.

Please make such use of this letter as a recommendation in your behalf as you deem will be most helpful.

It is perhaps unnecessary to add what is already known to you, that this recommendation is given wholly without your solicitation.

Yours sincerely,
W. M. TAYLOR,
Associate Justice of
Supreme Court of Texas.

THE SUPREME COURT OF TEXAS,
Austin, June 25, 1947.

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.

DEAR TOM: I understand that the Senate will soon vote on the confirmation of Joe B. Dooley as United States district judge for the northern district of Texas.

I have known Joe Dooley for many years. He is one of the outstanding lawyers of Texas. He has been honored by the bar many times, and was elected president of the Texas Bar Association. He filled that office with ability and distinction. He enjoys the confidence and respect of a great majority of the lawyers of Texas, and is preeminently fitted to fill this office. He has the patience, the ability, the courage, and the fairness to make an ideal judge. I heartily recommend him to the Senate of the United States for confirmation.

Your friend,
JOHN H. SHARP.

THE SUPREME COURT OF TEXAS,
Austin, June 25, 1947.

Hon. ALEXANDER WILEY,
United States Senator,
Washington, D. C.

DEAR SENATOR WILEY: I understand that the confirmation of Joe B. Dooley as United States district judge for the northern district of Texas will soon come before the Senate for a vote. I want to say that I have known Joe Dooley for many years. He is one of the outstanding lawyers of this State. He has

been honored by the lawyers of this State in many instances, and only a short while ago he was elected president of the Texas Bar Association. He filled that office with ability and distinction.

Joe Dooley is an exceptionally able lawyer. He has the poise, ability, character, courage, and fairness that will make him an ideal judge. In my judgment, there will be no mistake made if the Senate confirms Joe Dooley for this position.

With best regards, I am,

Yours sincerely,

JOHN H. SHARP.

THE SUPREME COURT OF TEXAS,
Austin, June 25, 1947.

Senator TOM CONNALLY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CONNALLY: The difficulty you have been experiencing in obtaining a speedy confirmation of the appointment of Hon. Joe B. Dooley as United States district judge for the northern district of Texas has occasioned me great concern, because it rather occurs to me that if Mr. Dooley is not qualified for the position, scarcely any lawyer at the Texas bar would be. I have known him and known of him for a long time, and I know of not the slightest factual reason, nor have I observed any suggested in the newspaper dispatches concerning the hearings on his confirmation, which would argue at all against the Senate's confirming him. He is an able, honorable, and patriotic citizen. I earnestly hope his appointment is confirmed soon.

Sincerely yours,

GORDON SIMPSON.

THE SUPREME COURT OF TEXAS,
Austin, June 25, 1947.

Hon. TOM CONNALLY,
United States Senate,
Washington, D. C.

DEAR SENATOR CONNALLY: For what it may be worth, I want to add to the many you have doubtless received my expression of the hope that the Senate will confirm the appointment of Joe Dooley as United States district judge.

I have known Joe Dooley well for many years and am acquainted with his reputation as a lawyer and as a man, have been in the trial of cases with him and have heard him argue cases and have studied his briefs in this court.

In my opinion the appointment of him is a splendid appointment, and he is eminently fitted and qualified for the high office.

With very best wishes to you, I am,

Sincerely yours,

GRAHAM B. SMEDLEY.

THE SUPREME COURT OF TEXAS,
Austin, June 26, 1947.

Hon. TOM CONNALLY,
Senate Office Building
Washington, D. C.

MY DEAR SENATOR CONNALLY: Allow me to take this opportunity of unhesitatingly joining the many friends of he Honorable Joe Dooley, of Amarillo, Tex., in attesting his qualifications to become a district judge of the Federal court in Texas.

I have known Mr. Dooley rather intimately for the past 15 years. I know him to be an outstanding citizen and a most eminent lawyer. He has, in my opinion, every essential qualification necessary for a good judge. I therefore commend you for your action in urging his approval by the distinguished body of which you are a worthy member.

Assuring you of my high esteem, I am,

Yours very truly,

C. S. SLATTON,
Associate Justice, Supreme Court of Texas.

THE SUPREME COURT OF TEXAS,
Austin, May 12, 1947.

Hon. FORREST C. DONNELL,
United States Senator from Missouri,
Washington, D. C.

DEAR SENATOR DONNELL: While the Senate Judiciary Committee had under consideration the nomination by the President of Hon. J. B. Dooley for district judge of the northern district of Texas, I refrained from writing to any member of the committee. It was and is my view that your committee was called upon to exercise a very high degree of discretion, and I did not feel at liberty to write you with respect to how that discretion should be exercised. Now that I observe that you voted for a favorable committee report, I write to assure you that your vote was in the interest of a strong and independent judiciary. I have known Mr. Dooley for 35 years. He possesses the qualifications, temperament, and character required of one who would make a great judge, and it is my belief that his every action as a judge would be in keeping with the best traditions of the bench and bar.

Yours very truly,

J. E. HICKMAN.

STATE OF TEXAS,
THE COMMISSION OF APPEALS,
Austin, August 3, 1944.

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.

DEAR SENATOR CONNALLY: I understand that some time in the near future Judge James C. Wilson, Federal judge of the northern district of Texas, will retire from his office. When this or any other vacancy occurs in such district, I would like to recommend Hon. Joe B. Dooley, of Amarillo, for the appointment.

In my opinion, Mr. Dooley would make a great Federal judge. As you well know, he has the correct judicial temperament and the legal ability. He is one of the outstanding lawyers of west Texas and, all things being equal, it appears to me that his part of the district is entitled to due consideration in this appointment. I hope you will see fit to give Mr. Dooley your support in this appointment. It would greatly please me and thousands of others in that section of Texas.

With best wishes for your continued success, I remain,

Sincerely,

A. J. FOLLEY
(Now member of State supreme court).

STATE OF TEXAS,
THE COMMISSION OF APPEALS,
Austin, August 16, 1944.

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.

MY DEAR SENATOR: It is currently reported that our mutual friend Hon. James C. Wilson contemplates an early retirement from the bench. I understand that among others whose names have been suggested for appointment as his successor, is J. B. Dooley of Amarillo. I have not seen Mr. Dooley lately and he will be wholly surprised to learn about this letter. He has not communicated with me directly or indirectly about the matter.

What I want to write you is this: On the basis of character, learning, and judicial temperament he has no superior in the entire district served by that court. So far as I know, he has never held public office but has given himself to the practice of law and to the discharge of the duties of a real citizen. To my mind it would add much to the judiciary if he were named to this office. I have no idea what other names are before you for consideration, but I hope that the question of appointment is still an open one and that Mr. Dooley may have your usual careful consideration.

With assurances of continued personal regards, I am,

Sincerely yours,

J. E. HICKMAN.

ENDORSEMENT OF JOE B. DOOLEY BY EX-SENATOR OF NEW MEXICO AND PRESENT MEMBER OF UNITED STATES CIRCUIT COURT OF APPEALS, TENTH CIRCUIT, HON. SAM G. BRATTON

TENTH CIRCUIT,
UNITED STATES CIRCUIT COURT
OF APPEALS,
Albuquerque, N. Mex., September 20, 1944.

Hon. TOM CONNALLY,
United States Senate,
Washington, D. C.

MY DEAR TOM: Some of my friends of earlier days in the Panhandle who are also your personal friends, have urged that I cooperate with them in the effort which they are exerting to bring about the appointment of Mr. Joe Dooley, of Amarillo, as Federal judge to succeed Judge Wilson, as and when he retires.

Residing outside the district, and being a member of the judiciary myself, I must keep well within recognized proprieties. Yet I am persuaded that it may not be altogether inappropriate to say a personal word to you respecting the ability and character of Mr. Dooley. Of course, I would not assume for a moment to go beyond that point and discuss other features of the situation.

I have known Joe Dooley personally and professionally for more than 25 years, and based upon that acquaintance, it is a privilege to assure you that he is a man of extraordinary legal ability, and of unquestioned character. In addition to being in the prime of vigorous life with the promise of many useful years ahead, he has the poise, temperament, industry, and other attributes for distinguished service of the highest order on the Federal bench.

Turning to a personal vein, it has been a long, long time since we met. If your trail ever leads out this way, make sure to let me know as I should like so much to visit with you once more before time lays too heavy a hand on both of us. Meanwhile, accept my best wishes always.

Cordially yours,

Hon. SAM G. BRATTON.

ENDORSEMENT OF JOE B. DOOLEY BY PRESIDENT OF STATE BAR OF TEXAS

BAKER, BOTTS, ANDREWS & WALNE,
Houston, February 20, 1947.

Hon. FORREST C. DONNELL,
United States Senate,
Washington, D. C.

DEAR SENATOR DONNELL: As my acquaintance with Republican Senators is somewhat limited, I take advantage of our acquaintance and friendship to write you on a matter in which I am deeply interested. I refer to the nomination by the President of the Honorable Joe B. Dooley, of Amarillo, Tex., as judge of the United States District Court for the Northern District of Texas. In view of the fight which is being staged by the junior Senator from Texas, the matter has assumed more than local importance.

There can be no question about the fact that the nominee is peculiarly well fitted for this position. He is a man of the highest character, of splendid ability as a lawyer, eminently fair, of a quiet, balanced, and judicious temperament, and in every way preeminently qualified for this position. He is not a New Dealer, but a man who believes as you and I do in the basic soundness of our method of government and is deeply interested in seeing that it is preserved. He was president of our State bar 2 years ago and the speeches which he made during

that year are matters of record in this State. No one could read them without being satisfied as to the basic soundness of his social, economic, and political views. I have known him intimately for over 35 years and I am speaking from my own observation and information and not from hearsay.

As I understand the matter of Dooley's appointment will be contested by the junior Senator from Texas before the Senate, I want you to know these facts. It is particularly unfortunate that the Senator from Texas should have chosen this time to stage a fight on the President's nominee, since here we have a man who is the very kind of man that we lawyers have wanted to see on the Federal bench, a man selected solely for his qualifications without regard to politics. If he should fail of confirmation, I believe that would be a blow to the cause of the lawyers in seeking to remove the judiciary from politics.

I trust you will not consider it inappropriate that I write you on this subject. It is of such importance to my mind that I feel justified in doing so, and I sincerely hope that you will vote to confirm Mr. Dooley's appointment.

With warm personal regards, I remain,

Sincerely yours,

JAS. L. SHEPHERD.

BAKER, BOTTS, ANDREWS & WALNE,
Houston, June 2, 1947.

G–10
Federal Judiciary Appointments
Mr. FRANCIS H. INGE,
Mobile, Ala.

DEAR MR. INGE: This is in reply to your letter of the 28th regarding the qualifications of Joe Dooley, of Amarillo, who has been nominated for judge of the United States district court for the northern district of Texas. I have known Joe Dooley intimately for 35 years, and he was president of our State bar 2 years ago. There is not the slightest question about his preeminent qualification for this job and he ought to be confirmed. As president this year of the State bar of Texas I have had some correspondence with Senator WILEY regarding Mr. Dooley, and I have also written Senator DONNELL, of Missouri, who is on the Judiciary Committee. I think you may be interested in the following which I quote from my letter (written individually and not in any official capacity) to Senator DONNELL:

"There can be no question about the fact that the nominee is peculiarly well fitted for this position. He is a man of the highest character, of splendid ability as a lawyer, eminently fair, of a quiet, balanced, and judicious temperament, and in every way preeminently qualified for this position. He is not a New Dealer, but a man who believes as you and I do in the basic soundness of our method of government and is deeply interested in seeing that it is preserved. He was president of our State bar 2 years ago and the speeches which he made during that year are matters of record in this State. No one could read them without being satisfied as to the basic soundness of his social, economic, and political views. I have known him intimately for over 35 years and I am speaking from my own observation and information and not from hearsay.

"As I understand the matter of Dooley's appointment will be contested by the junior Senator from Texas before the Senate, I want you to know these facts. It is particularly unfortunate that the Senator from Texas should have chosen this time to stage a fight on the President's nominee, since here we have a man who is the very kind of man that we lawyers have wanted to see on the Federal bench, a man selected solely for his qualifications without regard to politics. If he should fail of confirmation, I believe that would be a blow to the cause of the lawyers in seeking to remove the judiciary from politics.

"I trust you will not consider it inappropriate that I write you on this subject. It is of such importance to my mind that I feel justified in doing so, and I sincerely hope that you will vote to confirm Mr. Dooley's appointment."

Further answering your letter, I give you the following attorneys in the northern district of Texas in whose opinion on a matter of this kind I would have the utmost confidence: H. C. Pipkin, box 59, Amarillo; H. H. Cooper, box 1987, Amarillo; W. N. Stokes, Court of Civil Appeals, Amarillo; A. H. Britain, 825 Hamilton Building, Wichita Falls; Luther Hoffman, 630 Harvey-Snyder Building, Wichita Falls; Orville Bullington, box 1889, Wichita Falls; C. C. Renfro, Republic Bank Building, Dallas; J. Cleo Thompson, Kirby Building, Dallas; George S. Wright, Republic Bank Building, Dallas.

I do not suggest the names of any Fort Worth attorneys in view of the situation which has developed with reference to Senator O'DANIEL and his suggestion of other nominees from Fort Worth. I feel sure, however, that any reputable lawyer in Fort Worth would not say otherwise than that Joe Dooley is well qualified for this position.

Sincerely yours,

JAS. L. SHEPHERD, Jr.

RESOLUTIONS OF COUNTY BAR ASSOCIATIONS AND GROUPS OF LAWYERS ENDORSING JOE B. DOOLEY AS FEDERAL JUDGE

TAHOKA, TEX., *January 29, 1947.*

Senator TOM CONNALLY,
Senate Office Building,
Washington, D. C.:

We who have known Judge Joe Dooley for many years and practiced with him know him as a man of the finest character and legal ability and hope you will do your utmost to have him confirmed as United States district judge for northern district of Texas.

TOM GARRARD,
County Judge.
W. C. HUFFAKER, Jr.,
District Attorney.
B. P. MADDOX,
County Attorney.
TRUETT SMITH,
Attorney.
ROLLIN MCCORD,
Attorney.

FORT WORTH, TEX., *January 18, 1947.*

Senator TOM CONNALLY,
United States Senate:

As practicing attorneys at the Fort Worth bar, we are interested in having a lawyer of the highest integrity and known ability appointed to the Federal bench, and we know Joe B. Dooley has these qualifications. We therefore earnestly urge his confirmation by the Senate.

Melvin F. Adler, Benjamin L. Bird, Homa S. Hill, Lawrence Tarlton, W. E. Allen, R. B. Cannon, T. R. James, David B. Trammell, Frank [illegible]. Appleman, Dawson Davis, Jack M. Langdon, Herbert C. Wade, D. O. Belew, L. L. Gambill, R. F. Milam, Fred L. Wallace, Lem Billingsley, H. S. Garrett, W. M. Short, Harry C. Weeks, Frank J. Wren.

MINERAL WELLS, TEX., *January 20, 1947.*

Senator TOM CONNALLY,
Care Senate Judiciary Subcommittee:

Palo Pinto County Bar Association endorses Joe B. Dooley nomination to Federal bench and recommends confirmation.

W. O. GROSS.

LUBBOCK, TEX., *January 17, 1947.*

Hon. TOM CONNALLY,
United States Senate,
Washington, D. C.:

We the undersigned members of the Lubbock County Bar Association very earnestly urge favorable consideration of the appointment of the Honorable Joe B. Dooley, Amarillo, Tex., as one of the judges of the United States district court for the northern district of Texas. We know Mr. Dooley is a splendid lawyer, a man of the highest integrity and character, and that he would serve with credit and distinction. All of the present judges in the northern district reside either at Dallas or Fort Worth, which are in the extreme southeastern corner of the district, necessitating litigants and attorneys in the western and northern portions of the district to travel hundreds of miles to obtain orders, etc., in litigation pending in the Amarillo, Lubbock, Wichita Falls, Abilene, and San Angelo divisions of said district, thus greatly increasing the delay and expense of such litigation. We believe that the western and northern portions of the district should have a resident judge who would be more acceptable than are the judges residing in Fort Worth and Dallas. We know Mr. Dooley meets all requirements of legal ability, high moral character, and accessibility to the division mentioned above. We will be glad, on request, to send a representative to testify before the committee on any hearing held on the confirmation.

Thomas B. Duggan, Jr., President, Lubbock County Bar Association; John M. Steele, Secretary, Lubbock County Bar Association; Turner Adams; Robert J. Allen; Sam H. Allred; Hugh Anderson; Rayford L. Ball; Roy Bass; Robert H. Bean; W. D. Benson, Jr.; E. A. Blair; Durwood H. Bradley; Ralph Brock; Dudley Brummett; Winston Brummett; Burton S. Burks; J. O. Cade; W. W. Campbell; B. B. Campbell; Charles L. Cobb; Charles C. Crenshaw; Charles C. Crenshaw, Jr.; Howard C. Davison; James G. Denton; Bryan B. Dillard; J. J. Dillard; George W. Dupree; Campbell H. Elkins; James A. Ellis; William H. Evans; Thomas B. Forbis; W. D. Girand; Tom Gordon; Lawrence F. Green; Leo S. Hay; John H. Hudspecth; F. V. Hinson; L. A. Howard; Robert Howard; R. Briggs; Irvin O. Doyle; Justice M. T. Key; James H. Kimmel; E. L. Klett; Banjamin Kucera; Victor H. Lindsey; Durwood D. Mahon; James H. Milam; George W. McCleskey; Buck W. McNeil; Owen W. McWhorter; G. V. Pardue; District Judge Jack M. Randall; A. W. Salyars; J. Orville Smith; Sam F. Steele; J. E. Vickers; James J. Vickers; Eugene H. White; George S. Berry; Lloyd Croslin; Clark M. Mullican; H. L. Pharr; G. H. Nelson.

CHILDRESS, TEX., *January 16, 1947.*

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.:

We the members of the Childress County Bar earnesly solicit the confirmation of Hon. Joe B. Dooley as judge of the Federal district of the northern district of Texas.

C. C. BROUGHTON.
J. M. PRESTON.
LEONARD KING.
C. WILLIAMS.

MEMPHIS, TEX., *January 18, 1947.*

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.:

We unqualifiedly endorse and commend Joe B. Dooley, Amarillo, as a capable and efficient lawyer and citizen of highest character whose appointment as judge of the United States District Court for Northern District of Texas will meet the approval of the entire northern district of Texas and especially the Panhandle section.

T. H. Deaver, Sam J. Hamilton, A. S. Moss, T. J. Dunbar, M. O. Goodpasture, Jas. F. Smith, Thos. E. Noel, S. C. Harrison, John Russell, H. E. Tarver, John Deaver, J. A. Whaley, O. E. Bevers, J. O. Fitzjarrald, Hamilton & Deaver.

PLAINVIEW, TEX., *January 18, 1947.*

Senator TOM CONNALLY,
Senate Chamber:

The Plainview bar recognizes Joe B. Dooley as a very able and conscientious man and a resident of the northern district of Texas and urges his confirmation.

PLAINVIEW BAR ASSOCIATION,
By PEYTON B. RANDOLPH,
President.

SOUTHERN METHODIST UNIVERSITY,
Dallas, Tex., February 18, 1947

Senator TOM CONNALLY,
Washington, D. C.

DEAR SENATOR CONNALLY: Please permit me to add my voice in favor of the approval by the Senate of the appointment of Joe B. Dooley as United States district judge. I have known Mr. Dooley intimately since he was a student in my law classes at the University of Texas more than a third of a century ago. He was a clean, earnest, hard-working student, and was regarded as a leader in his class. His record as a lawyer has been in keeping with his record as a student—honest, honorable, careful, painstaking, and public spirited.

It seems impossible that he could be "personally obnoxious" to any right-thinking man. He is not a New Deal quisling or a quisling of any kind, nor is he a puppet of the the Santa Fe or any other railroad.

I think I am the only one of his law teachers still living. I am sure that I express the sentiment that Dean Townes, Judge Tarlton, Colonel Simkins, and the other outstanding law teachers of that day, if now living, would express, when I say that Joe B. Dooley is a man of excellent ability, training, and experience, and will, if approved by the Senate, make a just, upright, and able member of our Federal judiciary.

May I add that this endorsement is wholly voluntary, and was not solicited by anyone in any way.

Cordially yours,

C. S. POTTS,
Dean Emeritus.

WELLINGTON, TEX., *June 30, 1944.*

We, the undersigned lawyers of Collingsworth County, Tex., understanding that Hon. James C. Wilson, United States district judge for the northern district of Texas, intends to retire from active service and that a new judge will be appointed for said district, do hereby endorse Mr. J. B. Dooley of the Amarillo Bar for such appointment.

Mr. Dooley has resided in Amarillo where he has been an active practitioner in both the State and Federal courts for more than 30 years. He has a wide acquaintance with the lawyers and judiciary of the State, and has their complete confidence and respect. He is well qualified by experience, ability, integrity and temperament to serve capably in the high position of United States district judge.

R. H. COCKE.
W. M. TUCKER.
LUTHER GRIBBLE.

PAMPA, TEX., *July 15, 1944.*

We, the undersigned members of the Gray County bar, understanding that Hon. James C. Wilson, judge of the United States District Court for the Northern District of Texas, will retire, do hereby endorse Mr. J. B. Dooley, of Amarillo, Tex., for appointment as United States district judge to succeed Judge Wilson when he retires.

We have known Mr. Dooley for years. He is an able and active practitioner, with wide experience in legal matters and litigation in the State and Federal courts. Mr. Dooley is a native Texan, educated in Texas, and he has lived at Amarillo for more than 30 years. He is held in highest esteem by the lawyers, courts, and general public of the Panhandle. By temperament, training, experience, and integrity, he would make an excellent Federal judge.

Arthur M. Teed, John F. Sturgeon, Aaron Sturgeon, F. O. Cary, J. W. Gordon, Jr., Wm. Jarrel Smith, R. F. Gordon, W. R. Ewing, Sherman White, B. S. Via, Bernice L. Parker, Ennis Favors, H. L. Jordan, Thomas L. Wade, Walter E. Rogers, Curtis Douglass, Clifford Brady, C. E. Cary, Irey E Duncan.

AMARILLO, TEX., *June 12, 1944.*

We, the undersigned lawyers of Amarillo, Tex., understanding that Hon. James C. Wilson, United States district judge for the northern district of Texas, intends to retire from active service and that a new judge will be appointed for said district, hereby unreservedly endorse Mr. J. B. Dooley of the Amarillo bar, for such appointment.

Mr. Dooley has resided in Amarillo and has been engaged in the active practice of law in both State and Federal courts for 32 years. He has a wide acquaintance with the lawyers and judiciary of our State, and has their complete confidence and respect. He is well qualified by experience, ability, integrity, and temperament to serve capably in the high position of United States district judge.

Wales H. Madden, H. L. Adkins, H. M. Adkins, Chas. H. Keffer, C. R. Reeder, Alton M. Reeder, Fred C. Reeder, Ben P. Manning, Jno. H. Merchant, Perry S. Pearson, O. D. Thompson, Guy G. Clayton, B. M. Whalen, B. W. Morgan, Ben H. Stone, R. O. Stone, Riley Strickland, W. J. Fleaher, C. R. Fleaher, Canyon, Tex.; S. E. Fish, Grady L. Fox, H. C. Larkin, H. C. Byron, J. W. Buewell, W. S. Birge, Rip C. Underwood, Tom Seay, Ray C. Snodgrass, Jr., W. O. Northcutt, C. L. King, Henry S. Bishop, J. M. Oakes, E. L. Pitts, Clayton Heare, W. N. Stokes, A. A. Lumpkin, W. W. Gibson, G. V. Little, Erwin C. Ochsner, W. H. Brian, Rosom Lambdin, Frederick Gray, E. T. Scott, R. E. Underwood, Ray C. Johnson, R. A. Wilson, Hugh L. Umphris; W. B. Sanders, R. Winton, R. S. Trippet, Ralph B. Burgess, E. C. Nelson, Jr., John R. Cullingin, W. F. Nix, P. F. Sapp, E. D. Slough, F. E. Wooten, M. T. Brothers, Earl Wyatt, J. L. Cogwell, E. A. Simpson, Henry T. Ford, Warren M. Sparks, Hugh L. Umphris, Jr., W. A. Eskew, Ed M. Lufton, F. H. McGregor.

RESOLUTION BY HIDALGO COUNTY, TEX., BAR ENDORSING HON. JOE B. DOOLEY

Whereas the Honorable Joe B. Dooley of Amarillo, Tex., has been appointed United States district judge of the northern district of Texas; and

Whereas Judge Dooley is known to be an admired and respected member of the profession, qualified from the standpoint of legal ability, professional ethics, and outstanding leadership, thereby fitted to fill the high responsibility which is being entrusted to him; and

Whereas the Hidalgo County Bar Association gives its unqualified endorsement to the former administration of Judge Dooley as president of the State Bar of Texas during the trying years of World War II: Now, therefore, be it

Resolved, That we, the members of the Bar Association of Hidalgo County, Tex., in formal meeting assembled, do hereby unqualifiedly endorse the appointment of the Honorable Joe B. Dooley, of Amarillo, Tex., for United States district judge of the northern district of Texas, and do hereby request the Senate of the United States to promptly confirm his appointment.

Resolution unanimously adopted this the 14th day of March 1947.

J. C. HALL,
President of Hidalgo County Bar.

The STATE OF TEXAS,
County of Parmer, ss:

On this, the 11th day of April A. D. 1947, there was held a meeting of all of the attorneys of the Farwell bar to discuss the pending appointment of a Federal district judge to succeed Judge Wilson;

And each attorney present, having strongly expressed himself as favoring the appointment of Joe B. Dooley, of Amarillo, based on his personal integrity, his outstanding ability as a practitioner, and his unquestioned qualification for this high office: It is, therefore

Resolved, That this group, constituting all of the attorneys in Farwell, Tex., vigorously recommend the appointment of Mr. Dooley, and that a copy of this resolution be sent to the Senate Judiciary Committee and one to each of the United States Senators from Texas.

A. D. SMITH.
ROY COOK.
JAMES D. HAMLIN.
ERNEST F. LOKEY.
SAM ALDRIDGE.
JOHN ALDRIDGE.

ABILENE, TEX., *March 1, 1947.*

United States Senate, Washington, D. C.

GENTLEMEN: The Abilene Bar Association, duly convened for its regular monthly luncheon, on motion duly seconded and carried, unanimously request that you immediately approve the appointment of the Honorable Joe Dooley, of Amarillo, the United States district judge for the northern district of Texas.

In our judgment, there is no better qualified man for this job in the Northern District of Texas.

This the 1st day of March 1947.

P. W. HAYNIE,
President of Abilene Bar Association.
N. ALEX BIRKLEY,
Secretary of the Abilene Bar Association.

Hon. ALEXANDER WILEY,
Chairman, Judiciary Committee,
United States Senate,
Senate Office Building,
Washington, D. C.:

Personally I urge the confirmation of J. B. Dooley of Amarillo, Tex., as United States

district judge for the northern district of Texas. Judge Dooley has all professional and personal qualifiçations for this office. He is a lawyer of highest ability, unquestioned integrity, and has the confidence and respect of the lawyers of Texas.

H. B. THOMAS,
President, Bar Association of Dallas.

HARLINGEN, TEX., *February 4, 1947.*
Senator TOM CONNALLY,
Washington, D. C.:

I respectfully endorse the nomination of Hon. Joe B. Dooley, of Amarillo, for judge of the western district of Texas. He is held in high esteem by the bench and bar of Texas and in my opinion his appointment is one of the best made during my legal experience. He possesses the attributes of character, judicial temperament, and moral integrity of the highest degree and will reflect credit upon the Federal judiciary if confirmed.

CLAUDE E. CARTER,
Former President, State Bar of Texas.

DALLAS, TEX., *February 5, 1947.*
Hon. ALEXANDER WILEY,
Chairman, Senate Judiciary Committee, Washington, D. C.:

As president of the Junior Bar Association of Dallas, I want to urge confirmation of Joe Dooley as United States district judge. He is capable, well qualified, and stands high in the esteem of the Texas bar.

CLARENCE A. GUITTARD.

DALLAS, TEX., *February 5, 1947.*
Senator ALEXANDER WILEY,
Chairman, Judiciary Committee, United States Senate, Washington, D. C.:

As past president of Dallas Bar Association and present member house of delegates, American Bar Association, and as a practicing lawyer who has known Joe Dooley, of Amarillo, for many years, I heartily endorse his appointment as United States district judge and urge his early and unqualified confirmation by the Senate. He is an outstanding lawyer and an honorable gentleman who enjoys the respect of all who know him.

ROBERT G. STOREY.

HOUSTON, TEX., *February 5, 1947.*
Hon. ALEXANDER WILEY,
Chairman, Committee on the Judiciary, United States Senate, Washington, D. C.:

Your letter of January 30 regarding Federal judiciary nominees. As president of the State bar of Texas I have no authorization to speak for the bar on such matters but in response to your request I am glad to say, individually, that Joe B. Dooley, of Amarillo, who has been nominated for the position of judge of the District Court of the United States for the Northern District of Texas is a man of the highest character, an able lawyer, of a judicial temperament and sound political philosophy, and eminently qualified for this position. I heartily approve of the nomination and urge his confirmation.

JAS. L. SHEPHERD, Jr.

DALLAS, TEX., *February 5, 1947.*
Senator ALEXANDER WILEY,
Chairman, Judiciary Committee, United States Senate, Washington, D. C.:

I have known Joe B. Dooley intimately for more than 35 years during my law practice at Amarillo for 12 years and since coming to Dallas in 1923. I feel that I speak for myself and the great majority of the lawyers of the State when I certify to his moral character, unquestioned legal ability, and high standing in his profession. The lawyers in Dallas and throughout the State would be pleased with his confirmation. I have been vice president of the Dallas Bar Association and chairman of its executive committee, and am senior member of one of the larger law firms of Dallas.

F. M. RYBURN.

The STATE OF TEXAS,
County of Hidalgo:

The Hidalgo County Bar Association at a regular meeting held at McAllen, Tex., on the 14th day of March A. D. 1947, unanimously adopted the following resolution:

"Whereas the Honorable Joe B. Dooley, of Amarillo, Tex., has been appointed United States district judge of the northern district of Texas; and

"Whereas, Judge Dooley is known to be an admired and respected member of the profession, qualified from the standpoint of legal ability, professional ethics, and outstanding leadership, thereby fitted to fill the high responsibility which is being entrusted to him; and

"Whereas the Hidalgo County Bar Association gives its unqualified endorsement to the former administration of Judge Dooley as president of the State Bar of Texas during the trying years of World War II. Now, therefore, be it

"*Resolved*, That we, the members of the Bar Association of Hidalgo County, Tex., in formal meeting assembled, do hereby unqualifiedly endorse the appointment of the Honorable Joe B. Dooley, of Amarillo, Tex., for United States district judge of the northern district of Texas, and do hereby request the Senate of the United States to promptly confirm his appointment; be it further

"*Resolved*, That a copy of this resolution be sent to the Honorable Alexander Wiley, chairman of the Senate Judiciary Committee, United States Senate, Washington, D. C., to the Honorable Tom C. Clark, Attorney General of the United States, to the Honorable Tom Connally, and to the Honorable W. Lee O'Daniel, United States Senators from Texas."

I certify that the above and foregoing resolution was unanimously adopted by the Hidalgo County Bar Association at its regular meeting in McAllen, Tex., on the 14th day of March A. D. 1947.

J. C. HALL,
President, Hidalgo County Bar Association.

Attest:

FELIX L. MCDONALD,
Secretary, Hidalgo County Bar Association.

RESOLUTION, FORT WORTH BAR ASSOCIATION, FORT WORTH, TEX.

Pursuant to the unanimous action of the Fort Worth Bar Association at its annual meeting on October 7, 1946, a committee was duly appointed composed of R. V. Nichols, chairman, Robert C. Pepper, Luther Hudson, Sam Billingsley, and Harry L. Logan, for the purpose of drafting the following resolution urging the appointment of a Fort Worth attorney to fill the vacancy created by the retirement on August 15, 1946, of Hon. James C. Wilson, judge of the United State District Court for the Northern District of Texas:

"Whereas Hon. James C. Wilson retired as judge of the United States District Court for the Northern District of Texas on August 15, 1946, leaving a vacancy which has not been filled; and

"Whereas Fort Worth now has a population of over 312,000, and approximately 75 percent of the business of the United States District Court for the Northern District of Texas, including the various divisions thereof, is had in the Fort Worth Division of such district previously served by Judge Wilson, including both civil and criminal matters; and

"Whereas there are 531 attorneys in the city of Fort Worth and in view of the fact that the judge of the Fort Worth division is usually compelled to hold court in Fort Worth from the first of November until the last day of May, and of the further fact that any attorney appointed to fill such vacancy who may reside outside of the city of Fort Worth would necessitate undue expense upon the Government, its attorneys, litigants and their attorneys together with loss of time in the transaction of business with the court; and

"Whereas it is the opinion of the Fort Worth Bar Association that there are several qualified and capable attorneys in Fort Worth who could be appointed to this position and thereby be of greater service to the greatest number of litigants and attorneys: Therefore, be it

"*Resolved*, That the Fort Worth Bar Association does hereby and by these presents urge the recommendation and appointment of a member of the Fort Worth Bar Association as judge of the United States District Court for the Northern District of Texas, be it further

"*Resolved*, That copies of this resolution be sent to Hon. Tom Clark, Attorney General of the United States; Hon. Robert E. Hannegan, chairman of the National Democratic Executive Committee; Hon. Tom Connally, and Hon. W. Lee O'Daniel, the Texas Senators; and to Hon. Myron Blalock, Texas member of the National Democratic Executive Committee."

R. V. NICHOLS, *Chairman,*
ROBERT C. PEPPER,
LUTHER HUDSON,
SAM BILLINGSLEY,
HARRY L. LOGAN,
Resolutions Committee.

CERTIFICATE OF SECRETARY

I, R. V. Nichols, retiring secretary of the Fort Worth Bar Association, do hereby certify that the within and foregoing is a true and correct copy of resolution authorized by the Fort Worth Bar Association at its annual meeting on October 27, 1946, as same appear of record on page 406 of the permanent minute records of the association.

R. V. NICHOLS,
Retiring Secretary.

Subscribed and sworn to before me by R. V. Nichols on this the 9th day of October A. D. 1946, to certify which witness my hand and seal of office.

[SEAL] GWENDOLYNE L. MILLER.
Notary Public in and for Tarrant County, Tex.

MEMPHIS, TEX., *June 30, 1944.*

We, the undersigned lawyers of Hall County, Tex., understanding that Hon. James C. Wilson, United States district judge for the northern district of Texas, intends to retire from active service and that a new judge will be appointed for said district, do hereby endorse Mr. J. B. Dooley, of the Amarillo bar, for such appointment.

Mr. Dooley has resided in Amarillo, where he has been an active practitioner in both the State and Federal courts for more than 30 years. He has a wide acquaintance with the lawyers and judiciary of the State, and has their complete confidence and respect. He is well qualified by experience, ability, integrity, and temperament to serve capably in the high position of United States district judge.

A. S. MOSS, *District Judge*
S. J. HAMILTON.
C. LAND.
WM. J. BRAGG.

CHILDRESS, TEX., *June 30, 1944.*

We, the undersigned lawyers of Childress County, Tex., understanding that Hon. James C. Wilson, United States district judge for the northern district of Texas, intends to retire from active service and that a new judge will be appointed for said district, do hereby endorse Mr. J. B. Dooley, of the Amarillo bar, for such appointment.

Mr. Dooley has resided in Amarillo where he has been an active practitioner in both the State and Federal courts for more than 30 years. He has a wide acquaintance with the lawyers and judiciary of the State, and has their complete confidence and respect. He is well qualified by experience, ability, integrity, and temperament to serve capably in the high position of United States district judge.

J. ROSS BELL.
C. A. WILLIAMS.
C. C. BROUGHTON.
Q. S. BARRETT.
JAS. C. MAHAN.
LEONARD L. KING.

PLAINVIEW, TEX., *July 19, 1944.*

We, the undersigned members of the Hale County Bar, understanding that Hon. James C. Wilson, judge of the United States district court for the northern district of Texas, will retire, do hereby endorse Mr. J. B. Dooley, of Amarillo, Tex., for appointment as United States district judge to succeed Judge Wilson when he retires.

We have known Mr. Dooley for years. He is an able and active practitioner, with wide experience in legal matters and litigation in the State and Federal courts. Mr. Dooley is a native Texan, educated in Texas, and he has lived at Amarillo for more than 30 years. He is held in highest esteem by the lawyers, courts, and general public of the Panhandle. By temperament, training, experience, and integrity, he would make an excellent Federal judge.

P. B. RANDOLPH,
HAROLD M. LAFONT.
E. GRAHAM.
FRANK R. DAY.
CHAS. H. DEAN.
CHAS. B. CLEMENTS.
ALLAN N. MURRAY.

STATEMENT OF JUDGE C. B. REEDER, FORMER LAW PARTNER OF JOE B. DOOLEY, AS TO DOOLEY'S EXPERIENCE AS A CRIMINAL LAWYER

AMARILLO, TEX., *June 21, 1947.*

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.:

Hon. Joe B. Dooley was associated with me 4 years in the practice of law in Amarillo and in the Panhandle of Texas during which time we had a heavy and extensive practice of criminal law in both State and Federal courts and Mr. Dooley became an expert in the criminal law and practice. He is eminently qualified for a judge in both criminal and civil law and practice.

C. B. REEDER.

COPIES OF SOME LETTERS FROM MEMBERS OF THE BAR OF THE NORTHERN DISTRICT OF TEXAS RESPECTING SENATOR O'DANIEL POLL OF LAWYERS OF THE DISTRICT

STAMFORD, TEX., *April 7, 1947.*

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SIR: I am in receipt of your circular letter of April 1, 1947, written to the attorneys in the northern district of Texas whose names are listed in Martindale's directory, with reference to the confirmation of J. B. Dooley, of Amarillo, for appointment as district judge for the northern district of Texas.

I have known Mr. Dooley for many years. He is a very splendid gentleman. He is a high-class lawyer whose integrity cannot be questioned.

I have been a lifelong Democrat but I have never voted for Franklin D. Roosevelt or Harry S. Truman. I would not expect to fight the administration and receive any favors at their hands, neither do I think that you can fight the administration and expect to receive any favors at their hands.

I regret that you have seen fit to smear a man of Mr. Dooley's high standing because of the fact that you and Senator CONNALLY are in patronage fight.

Yours truly,

H. G. ANDREWS.

DALLAS, TEX., *April 4, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

DEAR SENATOR O'DANIEL: I acknowledge receipt of your letter of April 1 with enclosed postal card for reply.

I note your statement that certain interests in Texas and Washington were tipped off that Judge James C. Wilson intended to resign, and that these certain interests wanted to be sure that their man would have the right of way over others who might seek the position; that a railroad corporate attorney appears to have taken the lead away back in 1944 in trying to railroad their man on the bench; that he traveled through the territory at that time inspiring petitions by attorneys favoring J. B. Dooley, of Amarillo, and later mailed those petitions to you.

You state that you have received several hundred letters from men and women in different walks of life vigorously opposing the confirmation of Mr. Dooley, and that you have been urged by a number of attorneys to oppose his confirmation. Also that many of these attorneys have told you that they could not let their names be used in opposition because it might injure their standing with the judge in case he is confirmed and they come before him with a case.

1. I think it was widely known in 1944 that Judge Wilson had reached, or soon would reach, the age when he might retire from the position he had held so long and so honorably, and I believe it was understood among many lawyers that he might avail himself of this privilege. His resignation certainly should not have been a matter of surprise to any lawyer in Texas.

2. The gentlemen who have advised you that they hesitated to oppose a nominee for a judicial position such as this have scarcely reflected credit upon themselves or the bar. A lawyer who would hesitate to endorse or oppose one on this account pays scant regard to the obligation he assumes when he becomes a member of the bar.

3. As a matter of fact the State Bar of Texas has affirmatively shown, as an organization, that it has a much higher conception of a lawyer's duty. At the annual convention in your city of Fort Worth, held in 1944, the State bar adopted a resolution with respect to the Supreme Court of the United States, which, after calling attention to the unhappy conditions obtaining in that Court and the damage to its prestige, as reflected by widely current criticism, declared:

"The American bar cannot ignore these conditions, or the causes which produce them, without failing in their own obligations as lawyers. It is their duty, frankly and courageously, to call them to the attention of the Court and to demand a return to 'the application of known principles and previously disclosed courses of reasoning so that the country may be delivered from the most intolerable kind of ex post facto judicial lawmaking,' the quoted language being language used by one of the Justices of the Court. To that end we direct that a copy of this resolution be forwarded to the Clerk of the Supreme Court with request that it be called to the attention of the Chief Justice."

4. I believe that the attitude of the Texas lawyers was disclosed in the debate upon this resolution by Hon. Angus Wynne, who declared:

"Mr. President, there is not a thing in that resolution that anybody could point to as politics. If we cannot talk about our Supreme Court and its actions, then we might as well dissolve the State bar."

The lawyer who is worthy of the name and "who hath his quarrel just," has never feared reprisal from the bench.

5. The resolution to which I have referred and which may be found in volume 7, No. 7, September 1944, Texas Bar Journal, was adopted at the meeting which elected Joe B. Dooley, president of the association. That meeting was not composed of railroad lawyers, politicians, or time-servers; it was composed of lawyers, profoundly conscious of their duty to the country and to the obligations which they had assumed when they became members of the bar and officers of the court.

Before receiving your letter I had already written a letter of endorsement, unsolicited by and unknown to Mr. Dooley, in the belief, of course, that he is fully qualified professionally and personally for this office.

Frankly, the letter was not written as an advocate of Mr. Dooley. It was written largely as a protest against what appears to be a practice in the United States Senate of rejecting the confirmation of anyone who is "personally distasteful" to a Senator. I do not believe that a Senator's tastes or distastes, without more, should have the slightest influence upon the course of the Senate in approving a nomination, and I believe that this is the thought of a very large majority of the people of the country.

Yours sincerely,

J. W. HASSELL.

APRIL 7, 1947.

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

DEAR SENATOR O'DANIEL: Your letter under date of April 1, 1947, inquiring as to my attitude as a member of the bar in the northern judicial district toward the proposed appointment of Hon. J. B. Dooley, of Amarillo, to the Federal bench has just come to my attention. By this letter I do not intend to be critical of you, for every man has a right to stand by his honest convictions, but I want to make this a positive rather than a negative letter. I would not want to sign the post card which you enclosed without having the courage to sign my name to it.

I want to say that I am not a personal friend to Mr. Dooley, but I do know of his outstanding reputation among members of the bar and people who know him generally. I have never heard his honesty, integrity nor his character impeached by anyone, nor have I heard his professional standards questioned. I believe that if he is appointed to the Federal bench that he will discharge his duties in a manner that will reflect credit to himself and honor to the position.

Yours very truly,

LLOYD CROSSLIN,
District Attorney, Seventy-second Judicial District, Lubbock, Tex.

SCARBOROUGH, YATES & SCARBOROUGH,
Abilene, Tex., April 5, 1947.

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SIR: I have your letter dated April 1, 1947, asking for a straw vote on the appointment of Mr. Dooley to the Federal bench here in Texas.

I note from your letter that apparently your biggest objection to Mr. Dooley is that he might be controlled by the special interests and by big business.

For your information the firm of which I am a member represents no corporation. We represent the people and represent no special interests at all. That is true not only of this firm but of a number of other lawyers here in Abilene, and for your information the Abilene bar is wholeheartedly endorsing Mr. Dooley for the position which he is up for at this time.

I think that your reference to the railroad corporation attorney who is attempting to assist Mr. Dooley on securing this appointment is unfair as anything I have ever read. Without discussing the merits or demerits of this particular attorney who was attempting to help Mr. Dooley, I think that you will find that a great majority of the attorneys who are actively supporting Mr. Dooley do not represent the corporate interests.

Lawyers are as a breed outspoken and I do not feel that there are any reputable attorneys who would hesitate to express disapproval of Mr. Dooley if they actually felt so and who would hesitate to come out in the open against him. In the years past we have been most fortunate in the men who sit on Federal benches of Texas. In order to preserve the dignity of the Federal courts it is necessary to have a competent, well-qualified man. Mr. Dooley is such a man in my opinion in all respects.

Very truly yours,

DAVIS SCARBOROUGH.

COURT OF CIVIL APPEALS,
Amarillo, Tex., April 5, 1947.

Senator W. LEE O'DANIEL,
Senate Office Building, Washington, D. C.

DEAR SENATOR: I have your frank and earnest inquiry of the 1st instant, relative to Joe B. Dooley of this city who has been nominated to succeed Judge James C. Wilson, as Federal judge of the northern district of Texas. I am enclosing the blank voting postal card which you sent me with my vote recorded thereon in the affirmative, but your obvious sincerity in making the inquiry prompts me to write you concerning my knowledge of and experience with Mr. Dooley.

I was district judge of the forty-sixth judicial district, consisting of the counties of Wilbarger, Hardeman, and Foard, for 8 years before coming to this court. During that time, Mr. Dooley tried a number of cases in my court and I have never had a lawyer at the trial bar who exhibited more ability as a lawyer or more fairness with the court and counsel than did Mr. Dooley. Moreover, my personal acquaintance with him has extended over a period of at least 25 years and I have never known a man whom I would consider to be more reliable, honest, and trustworthy than he. He has presented many cases on appeal to this court during the last 10 years which constitute my tenure here and in every one of them he has shown the very highest standard of professional deportment and ability.

It is difficult for any man to live a life without incurring the animosity of some of his fellows and I am sure Mr. Dooley is not an exception, but in my judgment, few men indeed could be found who possess the judicial temperament, poise, and the numerous other qualifications desired in a judge of a high and important court that are combined in Mr. Dooley.

It is quite true that he has represented corporations, both in litigation and otherwise, but few, if any, successful lawyers could be found in the country who have not done so. Corporations have a way of finding the best ones and, in my judgment, it would be difficult to find one who would not represent a corporation in a legitimate way for an adequate fee.

With best wishes for your continued success, I am,

Yours very truly,

W. N. STOKES.

ORGAIN, BELL & TUCKER,
Beaumont, Tex., April 16, 1947.

Hon. W. LEE O'DANIEL,
Member, United States Senate,
Washington, D. C.

MY DEAR SENATOR: I have been and am greatly distressed as concerns your position as regards the appointment of Mr. Joe B. Dooley as United States district judge of the northern district of Texas to succeed Judge Wilson, resigned. This is not only because of my concern for the judiciary itself—and, of course, about this, I am greatly concerned—but, also because of my friendship and regard for both you and Mr. Dooley.

I believe Mr. Dooley to be excellently qualified by training, education, and temperament for the place. I have known him for many years. He is a gentleman under all circumstances and possessed of a strict integrity. As a member of the advisory committee appointed by the supreme court of Texas to recommend for adoption rules of civil procedure authorized by the State legislature to be promulgated by the supreme court, of which committee Mr. Dooley was a member, I, as the result of my observation of Mr. Dooley's work and conduct, came to admire him greatly, not only because of his great application and the ability he exhibited, but also because of his disinterested and judicial attitude in the discussions and determination of matters coming before the committee for consideration. He was consistent always in his conception that rules be made to further substantial justice, without frustration by legal technicalities. It is true he did insist—and in this view I concurred—that in avoiding legal technicalities, neither party should be denied substantial legal rights. His consistent view is well represented in rule I, as finally recommended and adopted by the supreme court, wherein it is stated:

"The proper objectives of rules of civil procedure are to obtain a just, fair, equitable and impartial adjudication of the rights of litigants under established principles of substantive law. To the end that this objective may be attained with as great expedition and dispatch and at the least expense both to the litigants and to the State as may be practicable, these rules shall be given a liberal construction."

This rule also well exemplifies Mr. Dooley's view as concerns the objectives of courts and court proceedings generally. Mr. Dooley is well-poised in his thinking and may be relied upon to do justice between all litigants, and this without partiality.

I have been wanting to write you for a long time about this matter, but not being a resident of the northern district, although sometimes appearing before the courts therein, and because you have not asked for my views, I have until now, refrained from expressing to you my views. However, you, as a Senator, represent the whole State of Texas, and certainly this is a matter in which the whole State is interested, and also you are a Senator who, in all of your political campaigns in this State, has had my active support. I therefore feel that I can, with candor, write you stating my views.

I cannot rid myself of the feeling that your position is unjust as concerns Mr. Dooley and that your opposition to the appointment is not well placed.

There probably are those who are in agreement with you in this matter, but I have not come in contact with them, and I have discussed the matter with many, particularly with lawyers.

Mr. Bell, one of my partners, and a past president of the State Bar of Texas, is in entire accord with my views as concerns Mr. Dooley, and concurs in my view as to the attitude of the bar of Texas as it concerns Mr. Dooley and his appointment to place.

I trust that you appreciate the spirit in which this letter is written, that is, that no friend do an injustice to another friend, and that no act on your part will do an injustice to another.

As this is a matter that concerns the public interest and that he may be advised of my views, I am taking the liberty of sending a copy of this letter to Senator CONNALLY.

With every good wish, I am,

Very sincerely, your friend,

WILL E. ORGAIN.

AMARILLO, TEX., *April 7, 1947.*

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'DANIEL: Your letter of April 1, 1947, gives me an opportunity to express myself concerning the appointment of Joe B. Dooley as Federal judge for the northern district of Texas. I wish to thank you for this opportunity. Enclosed is your self-addressed post card marked "Yes."

I have known Mr. Dooley and the members of his family for over 30 years. I know him to be a good father and husband, a considerate neighbor, and a Christian gentleman.

I think it can be safely said that no other lawyer in Amarillo enjoys a better reputation for honesty, integrity, and high professional attainment than does Mr. Dooley; and as a Federal judge, in my opinion, he will serve with credit to himself and honor to his countrymen. It is with pleasure that I urge the Senate confirmation of Mr. Dooley's appointment.

Sincerely yours,

JAMES G. LUMPKIN.

SANDERS, SCOTT, SAUNDERS & SMITH,
Amarillo, Tex., March 24, 1947.

Senator W. LEE O'DANIEL,
Washington, D. C.

DEAR SENATOR: This replies to yours of the 22d inst. in reference to the Joe B. Dooley confirmation as Federal judge.

I approve of the course you have pursued in the Senate, and if you offer for re-election I shall support you against the field.

I disapprove of the manner in which appointments have been handled without consultation with you.

In the particular matter of the Joe B. Dooley appointment, my judgment is that it is to the best interest of the members of the bar, of the litigants, and of the public of this district generally that his appointment be confirmed. He is able, honest, industrious, and of proper judicial temperament. The personal equation will have no influence and effect on his judicial decisions. He is the kind of character who would lean backward to avoid the appearance of favoritism to a former client or friend. I know of no other lawyer or judge in the district who is better, if as well, qualified to fill that judicial position, and on the basis of merit I feel that the Senate would be doing a distinct service to the people to confirm his appointment.

I know you are seeking true information upon which to act, and I trust this will serve your purpose.

Kindest regards,

J. W. SANDERS.

AMARILLO, TEX., *March 25, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

DEAR SENATOR O'DANIEL: I have your letter of March 20, in reference to your reasons for not confirming Mr. Joe B. Dooley, of this city, for Federal judge of the northern district of Texas. I have carefully noted contents of your letter and I cannot agree with you as to your objections with respect to Mr. Dooley's nomination for Federal judge of this district.

I am of the honest opinion that Mr. Dooley, if appointed Federal judge, would render a

just and lawful opinion in any matter that came before him, regardless of who was for or against him. I do not believe that there could have been a more honorable and competent man recommended for this position.

With kindest regards, I am,

Yours very truly,

TERRY THOMPSON.

AMARILLO, TEX., *March 25, 1947.*

Mr. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

DEAR SENATOR: Your letter of March 20, 1947, addressed to your friends concerning the propriety of your recommending Mr. Joe B. Dooley for appointment to a Federal judgeship is before us for attention and reply. The interests you are taking in this matter in seeing to it that an improper and unfit man be not appointed to this high and important office and position are commendable, indeed, and we all appreciate same very much.

We believe, Senator, that if you could and would come to Amarillo and investigate for yourself, you would find that Mr. Dooley is learned in the law, a fine man, splendid and good citizen, thoroughly qualified in every respect for the office, and you would also find that he could not be influenced in his actions and decisions by any railway company, corporation, combination, group, person, or any other force. He just is not that kind of a man, Senator.

It is to be regretted, Senator, that you are not personally acquainted with Mr. Dooley and know him as we do. He is the man we want, and therefore we earnestly request that you withd w all opposition and delay and unqualifiedly recommend Mr. Dooley for the appointment. You will never regret having done so, and after you learn more of the man, you will know you have served your people well.

Very truly yours,

REEDER & REEDER,
C. B. REEDER.

FARWELL, TEX., *March 24, 1947.*

Senator W. LEE O'DANIEL,
Washington, D. C.

DEAR SENATOR O'DANIEL: Acknowledging receipt of your letter of March 20 in regard to Mr. Joe B. Dooley, whose appointment as Federal judge for the northern district of Texas is pending before the Senate Judiciary Committee, would say that Mr. Dooley is one of the outstanding attorneys of the Panhandle, a man possessed of the highest moral responsibility and unquestioned integrity. The fact that two of his attorney friends, who are supporting him and who went to Washington to testify in his behalf, happen to be in the employ of a railroad corporation would in no way control his decisions in future lawsuits coming before his court should his nomination be confirmed. The "common citizen" would receive a fair and just treatment from Mr. Dooley as any corporation.

Mr. Dooley has many friends and attorneys in northern Texas, not connected with corporations, who are strongly in favor of his confirmation, and I think it is grossly unfair for anyone to insinuate that any favors would be shown to a corporation or any other client because an attorney in their employ is active in the support of Mr. Dooley for this important office.

With all good wishes and strongly urging that you lend your support to the confirmation of this good man instead of placing obstacles in his path, I remain

Yours very truly,

H. Y. OVERSTREET.

TATUM & TATUM,
Dalhart, Tex., March 25, 1947.

Hon. W. LEE O'DANIEL,
Senate Chamber, Washington, D. C

DEAR SENATOR: I wish to acknowledge receipt of your favor of March 20, being an inquiry concerning the nomination of Joe B. Dooley, of Amarillo, Tex., for appointment as Federal judge of the northern district of Texas.

I have followed the newspaper accounts of the investigation for some time and had thought of writing to you regarding the matter. It appeared to me that your objections to his confirmation were made in good faith and for the purpose of having a full, open investigation concerning his fitness and qualifications for this appointment. I have watched your activities from the time of your first election to the office of Governor, and while I have not agreed with you at all times, I have felt that you have endeavored to discharge your official duties honestly and faithfully and endeavored to inform yourself on all matters of real importance, before reaching a decision thereon.

I took it that in your opposition to the confirmation of Mr. Dooley, you felt that the importance to the public in this appointment, was such that no confirmation should be had until and after a searching investigation was made to determine whether or not anything existed that might prevent him from fearlessly discharging the duties of such high office. Therefore, I take pleasure in giving you frank and full answers to your questions propounded by your letter of March 20.

With respect to the first question, viz, "If Mr. Dooley is confirmed as Federal judge for life in your district, who do you think is likely to get the favorable decisions in future lawsuits instituted, the common citizen or the big railroad corporations whose two attorneys have worked so hard to get Mr. Dooley appointed and confirmed for lifetime judgeship?" In reply I beg to state that in my opinion both the common citizen and the railroads in any causes hereafter tried before Mr. Dooley, assuming he is appointed, will each receive absolute and impartial decisions and that if any favoritism is shown, which I do not consider would be, that same would be in favor of the common man.

I base this statement on more than 30 years' continuous acquaintance with Mr. Dooley, from personal contacts had with him in the courtroom, so metimes being associated with him and sometimes opposed, and from years of close observation of him, as well as other actual attorneys in this section of the State.

I have been engaged in the practice of law in Dalhart, Tex., since the year 1908. I have known Mr. Dooley since the year he began his practice in Amarillo. I have observed him both in the courts in Amarillo and many of the counties in this section.

I served for 2 years on the board of directors of the State bar of Texas, during 1 year of which Mr. Dooley served as president of the State bar. From such acquaintance, close contacts, and observation over the years I do not hesitate to say that Mr. Dooley is a gentleman of unquestionable integrity.

While he has at all times been loyal to his clients, at the same time he has never sought to take undue advantage of his opponent. He has at all times commanded the highest respect of the many State and Federal judges before whom he has practiced, both at trial as well as appellate courts, and had he ever been guilty of any conduct unbecoming an attorney, I am confident that I would have known of the same and that you would have no trouble in finding numerous witnesses who would testify to the same.

I am of the opinion that your fear with respect to the two railroad attorneys who made the trip to Washington in behalf of Mr. Dooley's nomination is without any basis, due to the notoriety given to the nomination and the long acquaintance he has had in this section. I have heard a large number of citizens in the immediate counties to and including Dalhart commend Mr. Dooley very highly and express the desire that when the investigation has been completed his nomination will be confirmed.

I doubt if you have had much actual experience with attorneys. Their philosophy and views of life differ materially from those of nearly every other profession. I have known attorneys who devoted the best years of their lives to representing persons charged with crimes, who were in later years appointed to the bench. Instead of displaying favoritism for persons charged before them, they not only refused to show any favoritism or consideration to the defendants charged with crimes, but were extremely severe in their judgments and very diligent in seeking to enforce the criminal laws.

I can also recall more than one attorney who has devoted the best years of his life to representing railroads and other corporations, who later went on the bench, and it was common knowledge before long that they almost became persecutors of corporations. I have yet to find a single instance where any attorney has been improperly influenced, if judged by the type of business in which he practiced his profession prior to the elevation to the bench.

As above stated, I consider Mr. Dooley not only a gentleman of the highest moral character but one endowed with such convictions of what is right and wrong that should he be elevated to the bench, neither the common man nor the corporation need fear persecution or unfair judgment from him, but win or lose, on the merits of the individual case.

With respect to your misgivings as to whether or not significance should be attached to the fact of the two prominent attorneys representing a railroad corporation going to Washington, beg to state that, if you could look at the dockets of the Panhandle counties, both in State and Federal courts, you would at once see that railroad litigation is a thing of the past. On the other hand, because it is the first opportunity the Panhandle or this section of the State has had for the appointment of a person to the Federal bench, if Washington had been nearer the Panhandle than it is, I am sure that 75 or more attorneys, nearly all of whom would represent litigants who had no corporation cases whatever, would have made the trip to Washington and urged the confirmation of Mr. Dooley's appointment. The attorneys to whom you refer (whose names I do not know) were no doubt members of firms where it was convenient for them to make the trip to Washington, without neglecting their clients' business, which would not be true of the great mass of lawyers in this section, I am confident that even stronger recommendations would have been given in Mr. Dooley's behalf by the great mass of lawyers in this section, representing individual clients, if such lawyers had had the opportunity to testify before the committee.

Thanking you for giving me the opportunity of furnishing this information and trusting that it will be helpful to you in completing the investigation of Mr. Dooley, I remain,

Yours very truly,

F. M. T.

THE FIRST NATIONAL BANK,
Amarillo, Tex., March 24, 1947.

Senator W. LEE O'DANIEL,
Washington D. C.

DEAR SENATOR: I acknowledge receipt of your letter of March 20 concerning the testimony on the Dooley appointment. I read your letter very carefully.

Concerning Mr. Dooley, I wish to advise that he is a personal friend of mine and I consider him well qualified for the Federal judgeship. He has a very excellent reputation, not only in Amarillo, but in the State at large and is, in my opinion, an excellent choice to be our Federal judge.

I fully understand the differences of opinion between you and Senator CONNALLY, but

I do not believe this should be permitted to block the appointment of a splendidly qualified man for the job.

Yours very truly,

V. P. PATTERSON,
President.

PAMPA, TEX., *March 25, 1947.*

Hon. W. LEE O'DANIEL,
Washington, D. C.

DEAR SENATOR O'DANIEL: I have your letter of March 20, 1947. I assume this letter was mailed to me because I have been a subscriber to the W. Lee O'Daniel News. I make this assumption because I have already expressed my views to you about Joe Dooley.

You need not worry one instant about the railroad getting any upper hand. Dooley is a nice man and will be a completely fair and impartial judge. I dare say that if you will look into the petitions that have been sent you in this matter you will find listed as supporters of Dooley the lawyers who represent the common citizens that you are apparently so disturbed about in their suits against the railroad. In fact, I believe you will find more lawyers supporting Dooley who sue the railroads than those who represent the railroads. It is unimportant in either event because both types know Dooley for what he is, namely, an ideal choice for Federal judge.

Since you advise that you want my letter to show the Judiciary Committee of the Senate, I am sending a copy of such letter to the committee.

Thanking you for the opportunity which you give me of expressing my views on this highly important appointment, I am, with best wishes,

Yours very truly,

WM. JARREL SMITH.

LEVELLAND, TEX., *April 5, 1947.*

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'DANIEL: This will acknowledge receipt of your letter of April 1, asking for a blind vote by the attorneys of the northern district of Texas on the confirmation or rejection of Mr. J. B. Dooley.

I have no hesitation whatsoever in openly favoring the confirmation of Mr. Dooley to, as you quote, "a lifetime judgeship in the northern judicial district of Texas." In my opinion he is one of the most competent and qualified attorneys in this district and should you by any act or in any way be responsible for his rejection I feel that you will have committed a grave injustice not only to the citizens of the northern district but to the whole State as well.

It has been my privilege to have had the opportunity of discussing the above with attorneys from all portions of the district and it is their consensus of opinion that Mr. Dooley will make an excellent judge because he is able, active, honest, and competent.

Thanking you for your letter asking for my opinion, I am,

Very truly yours,

WELDON F. JOHNSON.

DEAR SENATOR CONNALLY: The above is my honest opinion regarding Joe Dooley. I sincerely hope you will be able to get him confirmed.

With warmest personal regards, I am,

Sincerely yours,

WELDON F. JOHNSON.

AMARILLO, TEX., *March 29, 1947.*

Hon. LEE O'DANIEL,
United States Senate,
Washington, D. C.

DEAR MR. O'DANIEL: I know that in the past several months you have received many letters in reference to Mr. Joe B. Dooley. The Dooley family have been our neighbors and intimate friends for 20 years. I know his qualifications and his professional standing. I have never heard one word of criticism in reference to his fairness, honesty, and his professional qualifications. You well know he is a lawyer of the very highest type.

The Panhandle and west Texas need him as a Federal judge and your support is most earnestly desired.

Sincerely yours,

AUGUST J. STREIT, M. D.

CISCO, TEX., *March 24, 1947.*

Senator W. LEE O'DANIEL,
Washington, D. C.

DEAR SENATOR O'DANIEL: I have your letter of March 20, requesting that the bar of the northern district of Texas express an opinion as to the qualifications of Joe B. Dooley, of Amarillo.

Although I have had several matters in Amarillo, it has been my misfortune to miss personal contact with Mr. Dooley. However, during the course of years I have heard expressions from attorneys of all classes; that is, whether they represented railroads, oil men, farmers, ranchers, or whatnot, and it is my sincere opinion that there is not a man in the northern district of Texas who would receive more general support from the better type of sincere patriotic lawyers than would Mr. Dooley.

I hope that you sent letters to the bar generally such as you sent to me because I sincerely believe that the answers to this letter will cause you to change the attitude you have heretofore maintained to his selection.

Very truly yours,

F. D. WRIGHT.

CANTEY, HANGER, MCMAHON,
MCKNIGHT & JOHNSON,
Fort Worth, Tex., April 8, 1947.

Hon. W. LEE O'DANIEL,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'DANIEL: This will acknowledge receipt of your letter of April 1, 1947, relating to the nomination of Mr. J. B. Dooley, of Amarillo, to become judge of the United States District Court for the Northern District of Texas and enclosing a card on which I might register secretly my approval or disapproval of this nomination.

My views relating to Mr. Dooley's nomination are not a secret. I wholeheartedly approve the nomination and favor his confirmation. I am mailing a copy of this letter to Senator CONNALLY.

Very truly yours,

ALFRED MCKNIGHT.

AMARILLO, TEX., *April 8, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: I received your letter of April 1, 1947, asking for an expression of opinion about Joe B. Dooley, of Amarillo, Tex., who has been recommended for an appointment as a judge to the United States District Court, Northern District of Texas, Amarillo Division.

It is with a great deal of pleasure that I give you my candid and honest opinion about Joe B. Dooley. I have known Joe B. Dooley for approximately 24 years and have been in competition with him in the practice of law during all of that period. I have not had a single adverse criticism to Joe B. Dooley here in Amarillo, Tex., with reference to his morals, ability, integrity, honesty, and character. Naturally, lawyers in Texas do represent various types of clients, and it is true that Mr. Dooley represents corporations, but he also represents many citizens as well.

I also must admit that there are other men in Texas that would qualify for this job, but I do not believe that we could find a better qualified man or more honorable man than Joe B. Dooley to occupy that bench, and I know that unless there might be some particular individual who has had a grudge that all the other lawyers in the Panhandle of Texas will tell you the same thing.

Naturally, we are anxious to have a capable and well-qualified man sit on the bench before whom we try cases. We appear in Federal court quite a bit, and we are in a position to express an opinion as to what kind of a man should sit on the Federal bench. We feel that Joe B. Dooley is that kind of a man, and I hope that the Senate will confirm him, since I know that he will serve with honor and dignity for all classes of litigants and will see that justice is carried out.

Sincerely,

GIBSON, OCHSNER & LITTLE.
ERWIN C. OCHSNER.

DECATUR, TEX., *April 5, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

DEAR SIR: Replying to your favor of the 1st inst., you are advised that I have forwarded the postal card back to you with the notation over my signature that I favor the appointment and confirmation of Mr. Dooley to the Federal judgeship of the United States district court for the northern district of Texas.

You do yourself and the attorneys of the district an injustice, it seems to me, in assuming that we hesitate to express our views openly on a matter of so vital purport as that under consideration. Perhaps the mistake—if such it be—is attributable to the fact that you are not a lawyer yourself.

If you were you would understand that it is the function of the lawyer, as well as that of a judge on the bench, to interpret the law as it is written and not as he personnally would have it to be. The judge and the lawyer as well must, and in most instances does, with self-effacement give his interpretations and make his applications of the law as he understands it to be. That member of the bar or bench who is unable to do this is not worthy of the name—and from my own experience and observation he is a scarce article under our system of jurisprudence.

I considered Mr. Dooley to be a good man, a good lawyer, and of the philosophical turn of mind at law to make us a great judge. In my opinion, he will reflect great credit upon the profession and honor to himself if his confirmation is had.

You do him and yourself an injustice in opposing opposition, it seems to me.

Yours truly,

H. G. WOODRUFF.

APRIL 4, 1947.

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Our office has just received your form letter of April 1, in regard to the appointment of Judge Dooley to the judgeship in the northern district of Texas.

Frankly, Senator, I am amazed at the statements you make in this letter. For instance, you state that they got tipped off, far in advance, that Judge Wilson intended to resign. While I knew, and I am sure that you knew, that it was a matter of common knowledge to the citizens of Texas that Judge Wilson's health was such that he would be likely to resign at any time, this information has been common knowledge for a good many years, and prior to 1944. You also stated in your letter that a railroad corporation attorney appears to have taken the lead in trying to railroad their man onto the bench. I was raised at Wellington, in the Panhandle, and practiced law there a

good many years before going into the Navy, and after serving 3 years in the Navy I opened an office here in Dallas. During the time that I lived in the Panhandle I knew Judge Dooley, and not only tried cases where he was opposing counsel, but have seen him try any number of lawsuits. I have never seen or known of anything in Judge Dooley's conduct that would lead me to believe that he was a railroad attorney in the sense used in your letter. Judge Dooley is an exceptional lawyer and gentleman. If he represents any railroads, and I am sure that he does, it is because he is and was an outstanding lawyer. I do not represent any railroads, or other big corporations, but my experience has taught me that such corporations do employ outstanding attorneys, and that such attorneys are not outstanding because they are employed by corporations.

You state in your letter that one of the railroad corporation attorneys testified that there was not another man in Amarillo qualified as Judge Dooley for this office. I heartily agree, and have serious doubts if there is another man in the whole northern district of Texas who is better qualified.

Without discussing your letter further, I wish to say that I personally resent the thought that a Senator from Texas would mail out a letter containing the insinuations that your letter does and I cannot help but believe that that letter should be recalled and a fair and unbiased poll taken by your office.

I am enclosing herewith the postal card voting in favor of the confirmation of Judge Dooley.

Very truly yours,

RICHARD H. COCKE.

MATADOR, TEX., *April 5, 1947.*

Senator W. LEE O'DANIEL,
Senate Chamber,
Washington, D. C.

DEAR SENATOR: Your letter of April 1, 1947, regarding the recommendation of Joe Dooley, of Amarillo, as successor to Judge Wilson as judge of the United States northern district of Texas has been received.

I have stayed completely out of the scrap over Mr. Dooley's nomination, but since you have written asking for votes from the attorneys of the northern district I feel that I am justified in making the following observations.

I do not know Mr. Dooley personally. I think I have met him one or two times at bar conventions, or in Austin in the supreme court. However, during my experience as a lawyer for 13 years, and through my father, who has practiced law in west Texas for 50 years, and through the other outstanding lawyers over this entire district, it has always been my understanding that Mr. Dooley was one of the best lawyers in west Texas. Long before his nomination was ever mentioned, and before Judge Wilson decided to retire (which has been known to the legal profession for several years, without any tip off) I had repeatedly heard his name mentioned as an astute, outstanding lawyer. The fact that he may represent some railroad corporation is a very strong indication that he is an outstanding attorney, and in my opinion an insinuation that he may be unfit for a Federal judgeship on that account indicates a jealousy or resentment on the part of the person making the representations that makes me question the sincerity of the person making the representations.

If I should happen to disapprove of Mr. Dooley's nomination I would not be afraid to so express myself without doing so blindly, and I cannot help but feel that a vast majority of the lawyers in this district feel the same way, and that to send them a postcard so they can cast a blind vote, thereby indicating that they desire to do so is only to impugn their character.

It is my opinion that Mr. Dooley's nomination should be confirmed, and that it is a disparagement to Texas to have their two Senators squabbling over this appointment.

Very truly yours,

JOHN A. HAMILTON.

SEYMOUR, TEX., *April 5, 1947.*

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

SENATOR: I am enclosing your postal card, marked "Yes," and signing my name thereto, endorsing confirmation, endorsing attorney J. B. Dooley for United States district judgeship. I am not personally acquainted with Mr. Dooley, but he has a reputation of being an able lawyer.

I do not attach the importance that you seem to, to the fact that J. B. Dooley had been endorsed by "a certain railroad corporation attorney." Most railroad lawyers recognize the ability of the different lawyers they meet in their section, and if the railroad lawyers of Amarillo endorse Mr. Dooley, Mr. Dooley must be an able lawyer, at least that is his reputation in this section of the country. So I am sending you my ballot marked "Yes."

Yours very truly,

J. A. WHEAT.

POST, TEX., *April 7, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

MY DEAR SENATOR: Many thanks for your kind letter asking my opinion as to whether Mr. Joe B. Dooley, of Amarillo, Tex., should be confirmed as United States district judge for the northern district of Texas. I am returning your post card marked "Yes."

Mr. Dooley is well and truly personally known to me. He has appeared with me and against me in the courts. We also had ample opportunity to observe and appraise him while he was president of the State Bar of Texas. With all that knowledge of him, I certainly do not know of anything about him which would be objectionable or obnoxious to anybody. I do know that he is a very able and thorough attorney, and that his professional and personal conduct has always been highly acceptable and appreciated by his associates, both within and without the profession.

Of course, I agree with you that we have many able men in Texas, but I am quite inclined to agree with the hundred or so attorneys in Amarillo who told you Mr. Dooley was the best qualified one of them for the position. I certainly do not know of one of them up there who is as well qualified for the job as Mr. Dooley, and I am personally acquainted with most all the better known ones.

Yes; it would please me greatly to see Mr. Dooley go on the Federal bench for life. His temperament, personal character and thorough knowledge of the law would be quite becoming to the justice and dignity expected of our Federal courts. By the time you have received all the post cards, I feel confident you will also be convinced that you could do us no better service in this matter than go ahead with the confirmation of Mr. Dooley.

Thanks again for asking me.

Very sincerely yours,

JOE S. MOSS.

APRIL 7, 1947.

Hon. W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SIR: In response to your form letter, I am returning the card as instructed, showing that I do favor Mr. Dooley.

I have been practicing law in the Panhandle portion of Texas since 1932 and have been in contact with Mr. Dooley quite often. The clientele of this office is made up of individuals rather than corporate interests and, although Mr. Dooley has, from time to time, been on the opposite side of our law suits, we have at all times found him to be fair, honest, and honorable as well as a very able lawyer.

I believe that he would make us a very good judge and I would like to see him on the Federal bench.

Yours very truly,

MERCHANT & JORDAN,
By JNO. H. MERCHANT.

LUBBOCK, TEX., *April 7, 1947.*

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'DANIEL: This is to acknowledge receipt of your letter of April 1, 1947, concerning J. B. Dooley, who has been recommended for United States district judge of the northern district of Texas to take the place of Jim Wilson.

I have known Mr. Dooley, both individually and as a lawyer, for approximately 20 years and I consider Mr. Dooley an able and honest lawyer, who, if appointed United States district judge, would meet the responsibilities of that position in a capable, efficient, and honest way. I have tried cases both with him and against him and know of his reputation with the courts, and I would have no hesitancy in recommending him for the judgeship of the United States district for the northern district of Texas.

Yours very truly,

JACK M. RANDAL.

FORT WORTH, TEX., *April 12, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.:

Have known J. B. Dooley 35 years personally and professionally. As your friend I heartily endorse him and recommend his confirmation. Best wishes.

SAM R. SAYERS.

LEAVE OF ABSENCE

Mr. DOWNEY. Mr. President, it is essential, in the interest of public business, that I absent myself from the Senate during next week. I ask the consent of the Senate to that end.

The PRESIDENT pro tempore. Without objection, leave is granted.

THE CALENDAR

Mr. McCARRAN. Mr. President, I understand that the call of the calendar is not to be commenced at the beginning of the calendar.

The PRESIDENT pro tempore. It is to commence with order No. 347.

Mr. McCARRAN. The unanimous-consent agreement states that the Senate will proceed to the consideration of bills on the calendar to which there is no objection. That means the whole calendar. It does not say anything about order No. 347. I do not want to be captious about it, but there are some other matters which I should like to see disposed of.

Mr. WHERRY. Mr. President, let me suggest to the distinguished Senator from Nevada that I did not include in the unanimous-consent request order No. 347, Senate bill 1461. However, it has been our custom and tradition to begin at the point where the last call of the calendar was concluded, and I certainly had that in mind when I made the request.

I suggest to the Senator from Nevada that we proceed from that number. If there is time afterward, it will be possible to have the Senate proceed to the consideration of other matters, if the Senator from Nevada wishes to have that done.

Mr. McCARRAN. Mr. President, there are one or two other matters which I should like to have taken up at this time.

Mr. WHERRY. I beg of the Senator to withhold any such request until we complete the call of the calendar, from order No. 348, on.

Mr. McCARRAN. Probably there will not be very many Senators in attendance at the time when the call of the calendar is completed.

Mr. WHERRY. I have asked Senators to remain, and I think a number of Senators will do so. Apparently all other Members of the Senate have that understanding. I have asked that the call of the calendar begin with Calendar No. 348, House bill 1585.

Mr. McCARRAN. If the Senator from Nebraska wishes to have the calendar called, beginning with that number, I shall defer my request.

Mr. WHERRY. I thank the Senator.

Mr. RUSSELL. Mr. President, I think it would be very unfortunate to have measures on the calendar ahead of that point called at this time. Senators have heretofore objected to the consideration of certain of the preceding measures, and not all of them may be present at this time.

Mr. McCARRAN. I withdraw my request.

The PRESIDENT pro tempore. The Senator has withdrawn his request.

The clerk will proceed to state the measures on the calendar, beginning with Calendar No. 348.

ADOLPH PFANNENSTIEHL

The Senate proceeded to consider the bill (H. R. 1585) for the relief of Adolph Pfannenstiehl, which had been reported from the Committee on the Judiciary with an amendment, on page 1, in line 5, after the words "sum of", to strike out "$1,000" and insert "$750."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

HUGH C. GILLIAM

The Senate proceeded to consider the bill (H. R. 1956) for the relief of Hugh C. Gilliam, which had been reported from the Committee on the Judiciary with an amendment, on page 1, in line 6, after the words "sum of", to strike out "$1,000" and insert "$500."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PAUL GOODMAN

The bill (H. R. 1866) for the relief of Paul Goodman was considered, ordered to a third reading, read the third time, and passed.

SANTIAGO NAVERAN

The bill (S. 186) for the relief of Santiago Naveran was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General is directed to cancel forthwith any warrant of arrest, order of deportation, warrant of deportation, and bond, if any, in the case of the alien Santiago Naveran, and is directed not to issue any such further warrants or orders in the case of such alien, insofar as any such further warrants or orders are based upon the same grounds as the warrants or order required by this act to be canceled. For the purposes of the immigration and naturalization laws, the said Santiago Naveran, who arrived at Tampa, Fla., on or about July 7, 1924, as a seaman on the steamship *Sec. II*, which he deserted on or about July 10, 1924, shall, upon the payment of the required head tax, be held and considered to have been lawfully admitted to the United States for permanent residence at such place and on such date. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Spanish quota of the first year that such quota becomes available.

ANTONIO ARGUINZONIS

The bill (S. 187) for the relief of Antonio Arguinzonis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Antonio Arguinzonis, of Shoshone, Idaho, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his actual entry into the United States, upon the payment by him of the visa of $10 and the head tax of $8; and the Attorney General is authorized and directed to discontinue any deportation proceedings which may have been commenced in the case of the said Antonio Arguinzonis upon the ground of unlawful residence in the United States.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available Spanish immigration quota.

SIMON FERMIN IBARRA

The bill (S. 189) for the relief of Simon Fermin Ibarra was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Simon Fermin Ibarra, of Twin Falls, Idaho, shall be held and considered to have lawfully entered the United States for permanent residence on March 14, 1940, the date of his actual entry into the United States, upon the payment by him of the visa fee of $10 and the head tax of $8; and the Attorney General is authorized and directed to discontinue any deportation proceedings which may have been commenced in the case of Simon Fermin Ibarra upon the ground of unlawful residence in the United States.

SEC. 2. Upon the enactment of this Act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available Spanish immigration quota.

RELIEF OF CERTAIN BASQUE ALIENS

The bill (S. 298) for the relief of certain Basque aliens was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General of the United States is hereby authorized and directed to cancel deportation proceedings in the cases of Pedro Bastida and Fidel Acordarrementeria, both of Battle Mountain, Nev., legally admitted as seamen but who have remained in the United States longer than permitted by law and regulations, and that these aliens shall be considered as having been admitted for permanent entry as of the date of their actual entry on the payment of the visa fee of $10 and the head taxes of $8 per person.

Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the Spanish quota for the first year that the said Spanish quota is available.

BILLS PASSED OVER

The bill (S. 489) to amend the Nationality Act of 1940, to preserve the nationality of naturalized veterans, their wives, minor children, and dependent parents, was announced as next in order.

Mr. LODGE. Mr. President, I desire to have an explanation of the bill.

Mr. WILEY. Mr. President, this bill extends to veterans of World War II, their wives, minor children, and dependent parents, the exemption presently afforded veterans of the Spanish-American War and World War I, their wives, minor children, or dependents, from the operation of the present law which provides for loss of nationality under certain circumstances.

Mr. LODGE. Does the bill apply to naturalized citizens who served in the armed forces during the war? Is that the purpose?

Mr. WILEY. My understanding is that it applies to veterans of World War II, their wives, minor children, and dependent parents, and would place them in the same category with veterans of the Spanish-American War and veterans of World War I.

Mr. LODGE. In what respect?

Mr. WILEY. Section 404 of the Nationality Act provides for the loss of nationality by a person who has acquired his citizenship by naturalization, if such person resides for more than 2 years in a territory of a foreign country of which he was formerly a national or in which he was born.

Under the previous law, if such persons were out of the United States for more than 2 years, they would lose their nationality. But we took into consideration the fact that under the circumstances of war that happens to many veterans and, in some cases, to their wives.

Mr. LODGE. Is it meant that foreign-born veterans who had been naturalized would lose their citizenship by going overseas?

Mr. WILEY. I understand that, under the previous statute, under certain circumstances naturalized citizens who live abroad for 2 years lose their citizenship.

Mr. RUSSELL. I ask that the bill go over.

Mr. WHERRY. Let the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 518) to amend the Nationality Act of 1940 to preserve the nationality of citizens who were unable to return to the United States prior to October 14, 1946, was announced as next in order.

Mr. WHERRY. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

PEDRO UGALDE

The bill (S. 190) for the relief of Pedro Ugalde was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Pedro Ugalde, of Twin Falls, Idaho, shall be held and considered to have lawfully entered the United States for permanent residence on May 18, 1940, the date of his actual entry into the United States, upon payment by him of the visa fee of $10 and the head tax of $8; and the Attorney General is authorized and directed to discontinue any deportation proceedings which may have been commenced in the case of Pedro Ugalde upon the ground of unlawful residence in the United States.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available Spanish immigration quota.

MICHAEL SOLDO

The bill (S. 558) for the relief of the alien Michael Soldo was considered, ordered to be engrossed for a third read-in, read the third time, and passed, as follows:

Be it enacted etc., That for the purpose of the immigration and naturalization laws, the alien Michael Soldo, of West Palm Beach, Fla., whose wife and minor child are citizens and residents of the United States, shall be considered to have been lawfully admitted, at Detroit, Mich., on October 15, 1936, to the United States for permanent residence.

RETIREMENT OF CERTAIN NAVAL OFFICERS

The bill (H. R. 3251) to amend the act of July 24, 1941 (55 Stat. 603), as amended, so as to authorize naval retiring boards to consider the cases of certain officers, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

DISPOSITION OF SURPLUS AIRPORTS AND AIRPORT FACILITIES

The bill (S. 364) to expedite the disposition of Government surplus airports, airport facilities, and equipment and to assure their disposition in such manner as will best encourage and foster the development of civilian aviation and preserve for national-defense purposes a strong, efficient, and properly maintained Nation-wide system of public airports, and for other purposes, was announced as next in order.

Mr. RUSSELL. Mr. President, may we have an explanation of the bill?

Mr. TAFT. Mr. President, yesterday the Senator from Connecticut [Mr. BALDWIN] wished to have this bill taken up. I think perhaps the Senator from Oregon [Mr. MORSE], who is a member of the Armed Services Committee, can tell about the bill. The purpose is to permit Government surplus airports to be disposed of to cities and counties, I believe. The bill has been worked over by the Armed Services Committee, and a number of objections to the bill have been met, but I am not familiar with the details.

Mr. MORSE. Mr. President, let me add this to what the Senator from Ohio has said: The bill comes to the Senate with the unanimous approval of the Armed Services Committee. For a time the Senator from Virginia [Mr. BYRD] joined with me in one objection to the bill. That objection was worked out with the Senator from Connecticut [Mr. BALDWIN] so as to make certain that when the facilities are disposed of to municipalities or to State government agencies, the facilities that could be used for commercial or industrial purposes, over and beyond aviation purposes at the airports, would be required to be sold by the Surplus Property Administration for a fair return, in line with the policies of the War Assets Administration.

With that amendment to the bill—and that amendment was agreed to and written into the bill—the Senator from Virginia and I joined in the vote to report the bill to the Senate.

The bill makes it possible to make a fair disposal of these airports that are needed by many municipalities in the United States for municipal airport purposes. We think the bill is fair and reasonable and makes it possible to expedite the disposal of these airports.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 364), which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause and insert:

That subsection (c) of section 13 of the Surplus Property Act of 1944 (58 Stat. 765), as amended, is amended to read as follows:

"(c) No harbor or port terminal, including necessary operating equipment, shall be otherwise disposed of until it has first been offered, under regulations to be prescribed by the Administrator, for sale or lease to the State, political subdivision thereof, and any municipality, in which it is situated, and to all municipalities in the vicinity thereof."

SEC. 2. Section 13 of the Surplus Property Act of 1944 (58 Stat. 765), as amended, is hereby amended by adding a new subsection (g) reading as follows:

"(g) (1) Notwithstanding any other provision of this act, any disposal agency designated pursuant to this act may, with the approval of the Administrator, convey or dispose of to any State, political subdivision, municipality, or tax-supported institution, without monetary consideration to the United States, but subject to the terms, conditions, reservations, and restrictions hereinafter provided for, all of the right, title, and interest of the United States in and to any surplus real or personal property (exclusive of property the highest and best use of which is determined by the Administrator to be industrial and which shall be so classified for disposal without regard to the provisions of this subsection) which, in the determination of the Administrator of Civil Aeronautics, is essential, suitable, or desirable for the development, improvement, operation, or maintenance of a public airport as defined in the Federal Airport Act (60 Stat. 170) or reasonably necessary to fulfill the immediate and foreseeable future requirements of the grantee for the development, improvement, operation, or maintenance of a public airport, including property needed to develop sources of revenue from nonaviation businesses at a public airport.

"(2) Except as provided in paragraph (3) hereof, all property disposed of under the authority of this subsection shall be disposed of on and subject to the following terms, conditions, reservations, and restrictions:

"(A) No property disposed of under the authority of this subsection shall be used, leased, sold, salvaged, or disposed of by the grantee or transferee for other than airport purposes without the written consent of the Administrator of Civil Aeronautics, which consent shall be granted only if the Administrator of Civil Aeronautics determines that the property can be used, leased, sold, salvaged, or disposed of for other than airport purposes without materially and adversely affecting the development, improvement, operation, or maintenance of the airport at which such property is located: *Provided*, That no structures disposed of hereunder shall be used as an industrial plant, factory, or similar facility within the meaning of section 23 of this act, unless the public agency receiving title to such structures shall pay to the United States such sum as the Administrator shall determine to be a fair consideration for the removal of the restriction imposed by this proviso.

"(B) All property transferred for airport purposes shall be used and maintained for the use and benefit of the public, without unjust discrimination.

"(C) No exclusive right for the use of the airport at which the property disposed of is located shall be vested (either directly or indirectly) in any person or persons to the exclusion of others in the same class. For the purpose of this condition, an exclusive right is defined to mean—

"(1) any exclusive right to use the airport for conducting any particuuar aeronautical activity requiring operation of aircraft;

"(2) any exclusive right to engage in the sale or supplying of aircraft, aircraft accessories, equipment, or supplies (excluding the sale of gasoline and oil), or aircraft services necessary for the operation of aircraft (including the maintenance and repair of aircraft, aircraft engines, propellers, and appliances).

"(D) The grantee shall, insofar as it is within its powers, adequately clear and protect the aerial approaches to the airport by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

"(E) During any national emergency declared by the President or by the Congress, the United States shall have the right to make exclusive or nonexclusive use and have exclusive or nonexclusive control and possession, without charge, of the airport at which the surplus property is located or used, or of such portion thereof as it may desire: *Provided, however*, That the United States shall be responsible for the entire cost of maintaining such part of the airport as it may use exclusively, or over which it may have exclusive possession and control, during the period of such use, possession, or control, and shall be obligated to contribute a reasonable share, commensurate with the use made by it, of the cost of maintenance of such property as it may use nonexclusively or over which it may have nonexclusive control and possession: *Provided further*, That the United States shall pay a fair rental for its use, control, or possession, exclusively or nonexclusively, of any improvements to the airport made without United States aid.

"(F) The United States shall at all times have the right to make nonexclusive use of

the landing area of the airport at which the surplus property is located or used, without charge: *Provided, however,* That such use may be limited as may be determined at any time by the Administrator of Civil Aeronautics to be necessary to prevent undue interference with use by other authorized aircraft: *Provided further,* That the United States shall be obligated to pay for damages caused by such use, or if its use of the landing area is substantial, to contribute a reasonable share of the cost of maintaining and operating the landing area, commensurate with the use made by it.

"(G) Any public agency accepting a conveyance or transfer of surplus property under the provisions of this subsection shall release the United States from any and all liability it may be under for restoration or other damages under any lease or other agreement covering the use by the United States of any airport, or part thereof, owned, controlled, or operated by the public agency upon which, adjacent to which, or in connection with which the surplus property was located or used: *Provided,* That no such release shall be construed as depriving the public agency of any right it may otherwise have to receive reimbursement under section 17 of the Federal Airport Act for the necessary rehabilitation or repair of public airports heretofore or hereafter substantially damaged by any Federal agency.

"(H) In the event that any of the terms, conditions, reservations, and restrictions upon or subject to which the property is disposed of is not met, observed, or complied with, all of the property so disposed of or any portion thereof, shall, at the option of the United States, revert to the United States in its then existing condition.

"(3) In making any disposition of surplus property under this subsection (g), the disposal agency is authorized, upon the request of the Administrator of Civil Aeronautics, the Secretary of War, or the Secretary of the Navy, to omit from the instruments of disposal any of the terms, conditions, reservations, and restrictions required by paragraph (2) hereof, and to include any additional terms, conditions, reservations, and restrictions, if the Administrator of Civil Aeronautics, the Secretary of War, or the Secretary of the Navy determines that such omission or inclusion is necessary to protect or advance the interests of the United States in civil aviation or for national defense.

"(4) The Administrator of Civil Aeronautics shall have the sole responsibility for determining and enforcing compliance with the terms, conditions, reservations, and restrictions upon or subject to which surplus property is disposed of pursuant to this subsection.

"(5) All surplus property within the purview of this subsection which is not disposed of pursuant hereto shall be disposed of as provided elsewhere in this act or other applicable Federal statute.

"(6) Notwithstanding the provisions of subsection (f) of this section and subsection (c) of section 18, the disposal of surplus property under this subsection, which is determined by the Administrator to be available for the purposes enumerated in this subsection, shall be given priority immediately following transfers to other Government agencies under section 12."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 3394) to amend the act entitled "An act to provide for the evacuation and return of the remains of certain persons who are buried outside of the continental United States" was announced as next in order.

Mr. LODGE. Let the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. GURNEY. Mr. President, will the Senator from Massachusetts withhold his objection until I have an opportunity to explain the bill? I believe I can make a satisfactory explanation.

Mr. LODGE. I should like to hear the Senator's explanation of the bill.

Mr. GURNEY. The purpose of the bill is to amend existing law in a very minor degree. The bill authorizes the return of the remains of World War II dead to the homeland of the next of kin, as well as the homeland of the decedents. The bill also authorizes the Secretary of War to exercise discretionary authority in directing the disposition of groups and mass burials, and directs the permanent overseas burial of unknown World War II dead.

The bill further permits the Secretary to acquire land overseas for United States cemeteries. In addition, the bill gives custody of the overseas cemeteries to the organization which was used following World War I, the Battle Monuments Commission.

The bill has the full approval of the Senate Armed Services Committee, and is reported unanimously by that committee.

Mr. LODGE. Mr. President, let me say to the Senator that this is a matter that closely touches the emotions and the most intimate feelings of the people of this country.

Mr. GURNEY. This bill does not in any way do away with the right of the parents of World War dead to have them returned to this country if they wish to have that done. It does not change that in any way.

Mr. LODGE. It does not change the right to have the remains buried overseas, either, does it?

Mr. GURNEY. No; that can be done if it is desired.

Mr. LODGE. What disturbs me about the bill is the discretionary feature. I know of a case in which the Army has asked permission to close some of the small cemeteries.

Mr. GURNEY. The discretionary authority will apply only to mass burials or burials of unknown dead.

Mr. LODGE. Probably I shall not object after I have a chance to thoroughly understand the bill. But, Mr. President, I should like to have the bill passed over until the next call of the calendar, so that I can satisfy myself regarding its provisions.

The PRESIDENT pro tempore. Under the objection, the bill is passed over.

The bill (H. R. 3484) to transfer the Remount Service from the War Department to the Department of Agriculture was announced as next in order.

Mr. MORSE. Mr. President, this is my bill, and I ask that it go over until the committee can consider certain amendments which the Senator from Oklahoma has submitted to me, along with a letter which he has submitted to me. The work of the Armed Services Committee has been so heavy that I have only had an opportunity to get the bill on the docket for consideration.

So, out of consideration for the Senator from Oklahoma, I think the bill should be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

IOANNIS STEPHANES

The bill (S. 136) for the relief of Ioannis Stephanes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General of the United States be, and is hereby, authorized and directed to cancel deportation proceedings in the case of Ioannis Stephanes (alias John Stephens) of Mountain City, Nev., who entered the United States in August 1925 and has remained in the United States longer than permitted by law and regulation, and that this alien shall be considered as having been admitted for permanent entry as of the date of his actual entry on payment of the visa fee of $10 and head tax of $8.

Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Greek quota for the first year that the said Greek quota is available.

MILAN JANDRICH

The Senate proceeded to consider the bill (S. 409) for the relief of Milan Jandrich, which had been reported from the Committee on the Judiciary with an amendment, on page 1, after line 6, to strike out:

The said Milan Jandrich shall not be subject to deportation by reason of such entry.

SEC. 2. The Attorney General is authorized and directed to cancel any warrants of arrest or orders of deportation which may have been issued, and to discontinue any deportation proceedings which may have been commenced, in the case of said Milan Jandrich.

And insert:

Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Yugoslavian quota of the first year that the Yugoslavian quota is available.

So as to make the bill read:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, the Attorney General is authorized and directed to record Milan Jandrich as having entered the United States on October 5, 1945, for permanent residence.

Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Yugoslavian quota of the first year that the Yugoslavian quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LOANS TO MUNICIPALITIES AND COOPERATIVE ASSOCIATIONS

The Senate proceeded to consider the bill (S. 1087) to amend sec. 502 (a) of the Department of Agriculture Organic Act of 1944.

Mr. KNOWLAND. Mr. President, might we have a brief explanation of the bill?

Mr. STEWART. Mr. President, this bill was introduced on behalf of three municipalities—two in Alabama, Athens and Sheffield, and Bolivar, in Tennessee, to enable them to borrow money from REA in order to repay a loan obtained by

them from TVA; the advantage being a saving to them of about 1½ percent in the interest rate. The bill has the approval of the Department of Agriculture, REA, and also TVA.

The money was originally borrowed from TVA because the three municipalities, one in Tennessee and two in Alabama, undertook to build the entire electrical system of REA in the respective counties in which those cities are situated. They constructed the REA lines. The money was borrowed from TVA for that purpose, at a rate of 3½ percent interest. The bill does not ask for additional money. It is simply a matter of transferring the loans from one agency to another, after a manner of speaking, and it would result in a saving to the municipalities, who were financed for the benefit of the farmers in their respective counties, in the building of the REA line.

Mr. BYRD. Will the Senator state the amount of the loan?

Mr. STEWART. It is not set out here. My recollection is that it is about $300,000.

Mr. BYRD. The funds of REA are limited.

Mr. STEWART. I do not think the sum amounts to a great deal. I do not know how strictly REA is limited. Unfortunately, I do not have in mind the amount of the loan.

Mr. BYRD. The bill was approved by REA?

Mr. STEWART. It was approved by REA and also by TVA.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 502 (a) of the Department of Agriculture Organic Act of 1944 (Public Law 425, 78th Cong., 58 Stat. 739, 740), as amended by Public Law 563, Seventy-eighth Congress (58 Stat. 925), is further amended by inserting after the words "to cooperative associations" the words "and municipalities"; and by inserting after the words "said cooperative associations" a comma and the words "and municipalities to the extent that such indebtedness was incurred with respect to electric transmission and distribution lines or systems or portions thereof serving persons in rural areas."

ERADICATION OF CATTLE GRUBS

The Senate proceeded to consider the bill (S. 1249), authorizing additional research and investigation into problems and methods relating to the eradication of cattle grubs, and for other purposes.

Mr. RUSSELL. May I have an explanation?

The PRESIDENT pro tempore. The Senator from Georgia requests an explanation.

Mr. WHERRY. Mr. President, this is a bill which would authorize a continuation of investigation and research to eradicate a worm known as the cattle grub, that is produced from a fly that lays eggs at the animal's hoof; the worm is hatched and comes out on the back of the animal, boring through the hide; so much so that the hides of some western cattle are damaged to the extent of nearly 50 percent, at times, and those that are sold are sold at a reduced price. The cattlemen and dairymen of the country are very much interested in the matter. During the war there was developed an insecticide that is sprayed on the backs of cattle, so that when the worm emerges on the back of the animal, it is killed. Work of eradication has been begun in a district comprising several counties in the cattle section. The method is to proceed with eradication from county to county. If the grub can be eliminated it will mean an improvement in cattle products, hides, meat, milk, and so forth. It will require a small appropriation, I think, of about $75,000.

Mr. RUSSELL. That is the question I was about to ask.

Mr. WHERRY. It was reported without amendment by the committee, with full approval by Members of both parties.

Mr. RUSSELL. I am a great believer in agricultural research, but we have been having a great deal of difficulty getting any funds for use in that activity next year. I have been engaged in such work in the Committee on Agriculture, and I was interested to know the additional cost of the research in which the Senator from Nebraska is interested. I think research is the primary function of the Department of Agriculture. I have been endeavoring to convince certain of my colleagues on the subcommittee of the importance of research. I was interested to know how much more money would be required for this particular purpose.

Mr. LUCAS. Mr. President, I made the same observation before the Committee on Agriculture, when this and other bills for similar purposes, were favorably acted upon by that committee, because I felt we would run into trouble on the floor of the Senate, with any bill that we might report, in view of the economy drive that is under way. I based that opinion of course upon what the Appropriations Committee of the House had done to the agricultural program for research and for other purposes. I am very glad the Senator sees fit to go along with this bill, because it is a highly meritorious measure, in my opinion, to eradicate a very serious pest among cattle throughout the Nation.

Mr. RUSSELL. It seems to be a very meritorious proposition. I hope all meritorious research work will have the endorsement of the Senator.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to protect, promote, and conserve livestock and livestock products and to minimize losses, the Secretary of Agriculture, either independently or in cooperation with States or subdivisions thereof, farmers' associations, and other organizations and individuals, it is authorized to increase and intensify research and investigations into problems and methods relating to the eradication of cattle grubs and to undertake measures to eradicate these parasites.

SEC. 2. As used in this act, the term "State" includes the District of Columbia and the Territories and possessions of the United States There is hereby authorized to be appropriated such sums as may be necessary to carry out this act. Funds appropriated pursuant to this act shall be expended in accordance with procedures prescribed by the Secretary.

SALE OF CERTAIN LANDS TO CITY OF SITKA, ALASKA

The bill (H. R. 195) to authorize the Secretary of Agriculture to sell certain lands in Alaska to the city of Sitka, Alaska, was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF HOUSE OFFICE BUILDINGS

The bill (H. R. 3072) to authorize the preparation of preliminary plans and estimates of cost of for the erection of an addition or extension to the House Office Buildings and the remodeling of the fifth floor of the Old House Office Building, was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER TOLL BRIDGE, ILLINOIS

The bill (H. R. 1610) to amend the act of June 14, 1938, so as to authorize the Cairo Bridge Commission to issue its refunding bonds for the purpose of refunding the outstanding bonds issued by the commission to pay the cost of a certain toll bridge at or near Cairo, Ill., was considered, ordered to a third reading, read the third time, and passed

GOLD STAR MOTHERS COMMEMORATIVE STAMPS

The bill (S. 1180) to authorize the issue of a certain series of commemorative stamps in honor of Gold Star Mothers was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Postmaster General is authorized and directed to prepare for issuance at as early a date as practicable, a special series of 3-cent postage stamps, of such design as he shall prescribe, in honor and commemoration of Gold Star Mothers.

BILLS PASSED OVER

The bill (S. 612) to amend section 35 of chapter III of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," was announced as next in order.

Mr. LUCAS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 1634) to amend section 1 and provisions (6), (7), and (8) of chapter 3, and provisions (3) of section 47 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 1633) to amend section 16 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

SALE OF LAND ON E STREET SW., DISTRICT OF COLUMBIA

The bill (H. R. 1893) to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia. was considered.

ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

PAROLE OF PRISONERS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H. R. 494) to reorganize the system of parole of prisoners convicted in the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments.

The first amendment of the committee was in section 1, page 1, line 9, after the word "compensation", to insert "one of whom shall be elected chairman of the said Board."

The amendment was agreed to.

The next amendment was in section 5, page 4, line 13, after the words "he may" and the comma, to strike out "in the discretion of the Board and under such rules as it may promulgate."

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ABANDONMENT OF CONDEMNATION PROCEEDINGS, DISTRICT OF COLUMBIA

The bill (H. R. 3235) to amend the Code of Laws of the District of Columbia with respect to abandonment of condemnation proceedings, was considered, ordered to a third reading, read the third time, and passed.

PUNISHMENT FOR EXERTING CORRUPT INFLUENCE IN CONTESTS OF SKILL, DISTRICT OF COLUMBIA

The bill (H. R. 3515) to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance, and to provide a penalty therefor, was considered, ordered to a third reading, read the third time, and passed.

SURVIVORSHIP OF CAUSES OF ACTION, DISTRICT OF COLUMBIA

The bill (S. 1442) to amend sections 235 and 327 of the Code of Laws for the District of Columbia, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 235 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended, is hereby amended to read as follows:

"SEC. 235. On the death of any person in whose favor or against whom a right of action may have accrued for any cause prior to his death, said right of action shall survive in favor of or against the legal representative of the deceased: *Provided, however,* That in tort actions, the said right of action shall be limited to damages for physical injury and pain and suffering resulting therefrom."

SEC. 2. Section 327 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended, is hereby amended to read as follows:

"SEC. 327. Executors and administrators shall have full power and authority to commence and prosecute any personal action at law or in equity which the testator or intestate might have commenced and prosecuted: *Provided, however,* That in tort actions, the said right of action shall be limited to damages for personal injury and pain and suffering resulting therefrom; and they shall also be liable to be sued in the District Court of the United States for the District of Columbia in any action at law or in equity, except as aforesaid, which might have been maintained against the deceased; and they shall be entitled to or answerable for costs in the same manner as the deceased would have been, and shall be allowed for the same in their accounts, unless it shall appear that there were not probable grounds for instituting or defending the suits in which judgments or decrees shall have been given against them."

INCORPORATION, ETC., OF BUSINESS CORPORATIONS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 8) to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment, to strike out all after the enacting clause, and to insert the following:

TABLE OF CONTENTS

SHORT TITLE

SECTION 1. This act shall be known and may be cited as the "District of Columbia Business Corporation Act."

DEFINITIONS

SEC. 2. As used in this act, unless the context otherwise requires—

(a) "Corporation" or "domestic corporation" means a corporation subject to the provisions of this act, except a foreign corporation.

(b) "Foreign corporation" means a corporation for profit organized under laws other than the laws of the District of Columbia and special acts of Congress.

(c) "Articles of incorporation" include the original articles of incorporation and all amendments thereto, and include articles of merger or consolidation.

(d) "Subscriber" means one who subscribes for shares in a corporation, whether before or after incorporation.

(e) "Incorporator" means one of the signers of the original articles of incorporation.

(f) "Shares" are the units into which the shareholders' right to participate in the control of the corporation, in its surplus or profits, or in the distribution of its assets, are divided.

(g) "Shareholder" means one who is a holder of record of shares in a corporation.

(h) "Authorized shares" means the aggregate number of shares of all classes, whether with or without par value, which the corporation is authorized to issue.

(i) Shares of its own stock belonging to a corporation shall be deemed to be "issued" shares, but not "outstanding" shares.

(j) "Stated capital" means, at any particular time, the sum of (1) the par value of all shares then issued having a par value and (2) the consideration received by the corporation for all shares then issued without par value, except such part thereof as may have been allocated otherwise than to stated capital in a manner permitted by law, and (3) such amounts not included in clauses (1) or (2) of this paragraph as may have been transferred to the stated capital account of the corporation, whether upon the issue of shares as a share dividend or otherwise, minus such formal reductions from said sum as may have been effected in a manner permitted by law.

(k) "Paid-up surplus" means all that part of the consideration received by the corporation for, or on account of, all shares issued which does not constitute stated capital, whether heretofore or hereafter created by (1) the receipt by the corporation for, or on account of, the issuance of shares having a par value of consideration in excess of the par value of such shares or (2) the allocation of any part of the consideration received by the corporation for, or on account of, the issuance of shares in a manner permitted by law or (3) a reduction of stated capital under this act, minus such formal reductions of paid-in surplus as may have been effected in a manner permitted by law.

(l) "Net assets," for the purpose of determining the right of a corporation to purchase its own shares and of determining the right of a corporation to declare and pay dividends and the liabilities of directors therefor, shall not include shares of its own stock belonging to such corporation.

(m) "Registered office" means that office maintained by the corporation, the address of which is on file with the Commissioner of Corporations.

(n) "Insolvent" means that the corporation is unable to pay its debts as they become due in the usual course of its business.

(o) "State" means any State, Territory, colony, dependency, or possession of the United States of America, or any foreign country.

(p) "District" means the District of Columbia.

(q) "The court," except where otherwise specified, means the District Court of the United States for the District of Columbia.

(r) "Business by a foreign corporation" means the transaction of some substantial part of its corporate business, continuous in its character and not merely casual or occasional, and shall not include the prosecution of litigations, collection of its debts, or the taking of security for the same, or the appointment of an agent for the solicitation of business not transacted in the District: *Provided,* That mere procurement of orders for the sale of personal property by means of telephonic communication, written correspondence, or solicitation by salesmen in the District where such orders require acceptance without the District before becoming binding on the purchaser and seller and title to such property passes from the seller to the purchaser without the District shall not constitute transacting business within the District: *And provided further,* That the sale of personal property to the United States shall not be considered transacting business within the District unless a contract for such sale is accepted by the seller within the District or such property is delivered from stock of the seller within the District for use within the District.

PURPOSES

SEC. 3. Corporations for profit may be organized under this act for any lawful purpose or purposes, except for the purpose of banking or insurance or the acceptance and execution of trusts, the operation of railroads, or building and loan associations.

GENERAL POWERS

SEC. 4. Each corporation shall have power:

(a) To have perpetual succession by its corporate name unless a limited period of duration is stated in its articles of incorporation.

(b) To sue and be sued, complain and defend, in its corporate name.

(c) To have a corporate seal, which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced.

(d) To purchase, take, receive, lease, take by gift, devise, or bequest, or otherwise acquire, and to own, hold, improve, use, and otherwise deal in and with real or personal property, or any interest therein, wherever situated.

(e) To sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part of its property and assets.

(f) To lend money to, and otherwise assist, its employees, other than its officers and directors.

(g) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of, other corporations organized under the laws of the District of Columbia, of foreign corporations, and of associations, partnerships, or individuals.

(h) To make contracts and incur liabilities; to borrow money at such rates of interest as the corporation may determine without regard to the restrictions of any usury law; to issue its notes, bonds, and other obligations; and to secure any of the obligations by mortgage or pledge of all or any of its property, franchise, and income. No corporation formed hereunder shall plead any statutes against usury in any court of law or equity in any suit instituted to enforce the payment of any bond, note, or other evidence of indebtedness issued or assumed by it.

(i) To invest its surplus funds from time to time and to lend money for its corporate purposes, and to take and hold real and personal property as security for the payment of funds so invested or loaned.

(j) To conduct its business, carry on its operations, and have offices and exercise the powers granted by this act within and without the District of Columbia and to exercise in any State, Territory, district, colony, or possession of the United States, or in any foreign country the powers granted by this act.

(k) To elect or appoint officers and agents of the corporation, and to define their duties and fix their compensation.

(l) To make and alter bylaws, not inconsistent with its articles of incorporation or

with the laws of the District of Columbia, for the administration and regulation of the affairs of the corporation.

(m) To make contributions to charitable organizations, and, in time of war, to transact any lawful business in aid of the United States.

(n) To cease its corporate activities and surrender its corporate franchise.

(o) To have and exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is formed.

(p) To indemnify any and all of its directors or officers or former directors or officers or any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding in which they, or any of them, are made parties, or a party, by reason of being or having been directors or officers or a director or officer of the corporation, or of such other corporation, except in relation to matters as to which any such director or officer or former director or officer or person shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duty. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled, under any bylaw, agreement, vote of stockholders, or otherwise.

POWER OF CORPORATION TO ACQUIRE ITS OWN SHARES

SEC. 5. A corporation shall have power to purchase, take, receive, or otherwise acquire, hold, own, pledge, transfer, or otherwise dispose of its own shares: *Provided*, That it shall not purchase, either directly or indirectly, its own shares when its net assets are less than the sum of its stated capital, its capital surplus, any surplus arising from unrealized appreciation in value or revaluation of its assets and any surplus arising from surrender to the corporation of any of its shares, or when by so doing its net assets would be reduced below such sum. Notwithstanding the foregoing limitations, a corporation may purchase or otherwise acquire its own shares for the purpose of—

(a) eliminating fractional shares;

(b) collecting or compromising claims of the corporation or any indebtedness to the corporation;

(c) paying dissenting shareholders entitled to payment for their shares under the provisions of this act.

(d) effecting the retirement of its redeemable shares by redemption or by purchase at not to exceed the redemption price, but no redemption or purchase of redeemable shares shall be made which will reduce the remaining assets of the corporation below an amount sufficient to pay all debts and known liabilities of the corporation as they mature, except such debts and liabilities as have been otherwise adequately provided for, or which will reduce the net assets below the aggregate amount payable to the holders of shares having prior or equal rights to the assets of the corporation upon dissolution.

DEALING IN REAL ESTATE AS CORPORATE PURPOSE

SEC. 6. A corporation having among its purposes, as set forth in its articles of incorporation, that of acquiring, owning, using, conveying, and otherwise disposing of and dealing in real property or any interest therein, shall have power and authority so to do without limitation.

DEFENSE OF ULTRA VIRES

SEC. 7. No act of a corporation and no conveyance or transfer of real or personal property to or by a corporation shall be invalid by reason of the fact that the corporation was without capacity or power to do such act or to make or receive such conveyance or transfer, but such lack of capacity or power may be asserted—

(a) in a proceeding by a shareholder against the corporation to enjoin the doing of any act or acts the transfer of real or personal property by or to the corporation. If the unauthorized acts or transfer sought to be enjoined are being, or are to be, performed or made pursuant to any contract to which the corporation is a party, the court may, if all of the parties to the contract are parties to the proceeding and if it deems the same to be equitable, set aside and enjoin the performance of such contract, and in so doing may allow to the corporation or to the other parties to the contract, as the case may be, compensation for the loss or damage sustained by either of them which may result from the action of the court in setting aside and enjoining the performance of such contract, but anticipated profits to be derived from the performance of the contract shall not be awarded by the court as a loss or damage sustained;

(b) in a proceeding by the corporation, whether acting directly or through a receiver, trustee, or other legal representative, or through shareholders in a representative suit, against the incumbent or former officers or directors of the corporation;

(c) in a proceeding by the Commissioner or Corporations, as provided in this act, to dissolve the corporation, or in a proceeding by Commissioner of Corporations to enjoin the corporation from the transaction of unauthorized business.

CORPORATE NAME

SEC. 8. The corporate name—

(a) shall contain the word "corporation", "company", "incorporated", or "limited", or shall end with an abbreviation of one of such words;

(b) shall not contain any word or phrase which indicates or implies that it is organized for any purpose other than one or more of the purposes contained in its articles of incorporation;

(c) shall not be the same as, or deceptively similar to, the name of any corporation organized under any act of the District of Columbia, or any foreign corporation authorized to transact business in the District of Columbia, or a name the exclusive right to which is, at the time, reserved in the manner provided in this act.

RESERVED NAME

SEC. 9. (a) The exclusive right to the use of a corporate name may be reserved by—

(1) any person intending to organize a corporation under this act or any other act for the organization of a corporation under the laws of the District of Columbia;

(2) any corporation organized under this act proposing to change its name;

(3) any corporation organized under any law other than this act proposing to reincorporate under this act;

(4) any foreign corporation intending to make application for a certificate of authority to transact business in the District of Columbia;

(5) any foreign corporation authorized to transact business in the District of Columbia and intending to change its name;

(6) any person intending to organize a foreign corporation and intending to have such corporation make application for a certificate of authority to transact business in the District of Columbia.

(b) The reservation shall be made by filing with the Commissioner of Corporations an application to reserve a specified corporate name, executed by the applicant. If the Commissioner of Corporations finds that the name is available for corporate use, he shall reserve the same for the exclusive use of the applicant for a period of 60 days.

(c) The right to the exclusive use of a specified corporate name so reserved may be transferred to any other person or corporation by filing in the office of the Commissioner of Corporations a notice of such transfer, executed by the applicant for whom the name was reserved, and specifying the name and address of the transferee,

REGISTERED OFFICE AND REGISTERED AGENT

SEC. 10. Each corporation shall have and continuously maintain in the District of Columbia—

(a) a registered office which may be, but need not be, the same as its place of business;

(b) a registered agent, which agent may be either an individual resident in the District of Columbia whose business office is identical with such registered office, or a corporation authorized by the articles of incorporation to act as such agent and authorized to transact business in the District of Columbia having a business office identical with such registered office.

CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT

SEC. 11. (a) A corporation may change its registered office or change its registered agent, or both, by filing in the office of the Commissioner of Corporations a statement setting forth—

(1) the name of the corporation;

(2) the address, including street and number, if any, of its then registered office;

(3) if the address of its registered office be changed, the address, including street and number, if any, to which the registered office is to be changed;

(4) the name of its then registered agent;

(5) if its registered agent be changed, the name of its successor registered agent;

(6) that the address of its registered office and the address of the business office of its registered agent, as changed, will be identical; and

(7) that such change was authorized by resolution duly adopted by its board of directors or was authorized by an officer of the corporation duly empowered to make such change.

(b) Such statement shall be executed by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to the provisions of this act, he shall file such statement.

(c) The change of address of the registered office, or the change of registered agent, or both, as the case may be, shall become effective upon the filing of such statement by the Commissioner of Corporations.

REGISTERED AGENT AS AN AGENT FOR SERVICE

SEC. 12. (a) The registered agent so appointed by a corporation shall be an agent of such corporation upon whom process against the corporation may be served, and upon whom any notice or demand required or permitted by law to be served upon the corporation may be served. Service of any process, notice, or demand upon a corporate agent, as such agent, may be had by delivering a copy of such process, notice, or demand to the president, vice president, the secretary, or an assistant secretary of such corporate agent.

(b) In the event a corporation shall fail to appoint or maintain a registered agent, then the Commissioner of Corporations is hereby irrevocably appointed as an agent of such corporation upon whom any such process, notice, or demand may be served. Service on the Commissioner of Corporations of any such process, notice, or demand shall be made by delivering to and leaving with him duplicate copies of such process, notice, or demand. In the event any such process, notice, or demand is served on the Commissioner of Corporations, he shall immediately cause one of such copies thereof to be forwarded by registered mail, addressed to the corporation at its registered office. Any

service so had on the Commissioner of Corporations shall be returnable in not less than 30 days.

(c) The Commissioner of Corporations shall keep a record of all processes, notices, and demands served upon him under this section, and shall record therein the time of such service and his action with respect thereto.

(d) Nothing herein contained shall limit or affect the right to serve any process, notice, or demand, required or permitted by law to be served upon a corporation in any other manner now or hereafter permitted by law.

AUTHORIZED SHARES

SEC. 13. (a) Each corporation shall have power to create and issue the number of shares stated in its articles of incorporation. Such shares may be divided into one or more classes, any or all of which classes may consist of shares with par value or shares without par value, with such designations, preferences, voting powers, special or relative rights and such limitations, restrictions, or qualifications thereof as shall be stated in the articles of incorporation. The articles of incorporation may limit or deny the voting power of the shares of any class.

(b) Without limiting the authority herein contained, a corporation, when so provided in its articles of incorporation, may issue shares of preferred or special classes—

(1) subject to the right of the corporation to redeem any of such shares at the price fixed by the articles of incorporation for the redemption thereof;

(2) entitling the holders thereof to cumulative or noncumulative dividends;

(3) having preference over any other class or classes of shares as to the payment of dividends;

(4) having preference as to the assets of the corporation over any other class or classes of shares upon the voluntary or involuntary liquidation of the corporation;

(5) convertible into shares of any other class: *Provided*, That shares without par value shall not be converted into shares with par value unless that part of the stated capital of the corporation represented by such shares without par value is, at the time of conversion, at least equal to the aggregate par value of the shares into which the shares without par value are to be converted.

ISSUANCE OF SHARES OF PREFERRED OR SPECIAL CLASSES IN SERIES

SEC. 14. (a) If the articles of incorporation so provide, the shares of any preferred or special class may be divided into and issued in series. If the shares of any such class are to be issued in series, then each series shall be so designated as to distinguish the shares thereof from the shares of all other series and classes. Any or all of the series of any such class and the variations in the relative rights and preferences as between different series may be fixed and determined by the articles of incorporation: *Provided*, That all shares of the same class shall be identical except as to the following relative rights and preferences, in respect of any or all of which there may be variations between different series:

(1) The rate of dividend.

(2) The price at and the terms and conditions on which shares may be redeemed.

(3) The amount payable upon shares in event of involuntary liquidation.

(4) The amount payable upon shares in event of voluntary liquidation.

(5) Sinking-fund provisions for the redemption or purchase of shares.

(6) The terms and conditions on which shares may be converted, if the shares of any series are issued with the privilege of conversion.

(b) If the articles of incorporation shall expressly vest authority in the board of directors, then, to the extent that the articles of incorporation shall not have established series and fixed and determined the variations in the relative rights and preferences as between series, the board of directors shall have authority to divide any or all of such classes into series and, within the limitations set forth in this section, fix and determine the relative rights and preferences of the shares of any series so established: *Provided*, That such authority of the board of directors shall be subject to such further limitations, if any, as are stated in the articles of incorporation and shall always be subject to the limitation that the board of directors shall not create a sinking fund in respect of any series unless provision for a sinking fund at least as beneficial to all issued and outstanding shares of the same class shall either then exist or be at the same time created.

(c) In order for the board of directors to establish a series, where authority so to do is contained in the articles of incorporation, the board of directors shall adopt a resolution setting forth the designation of the series and fixing and determining the relative rights and preferences thereof, or so much thereof as shall not be fixed and determined by the articles of incorporation.

(d) Prior to the issue of any shares of a series established by resolution adopted by the board of directors, the corporation shall file in the office of the Commissioner of Corporations a statement setting forth—

(1) the name of the corporation;

(2) a copy of the resolution establishing and designating the series, and fixing and determining the relative rights and preferences thereof;

(3) the date of adoption of such resolution;

(4) that such resolution was duly adopted by the board of directors.

(e) Such statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall, when all franchise taxes, fees, and charges have been paid as in this Act prescribed—

(1) endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) return the other duplicate original to the corporation or its representative.

(f) The duplicate original returned by the Commissioner of Corporations shall be filed for record in the office of the Recorder of Deeds.

(g) Upon the filing of such statement by the Commissioner of Corporations, the resolution establishing and designating the series and fixing and determining the relative rights and preferences thereof shall become effective.

SUBSCRIPTIONS FOR SHARES

SEC. 15. (a) A subscription for shares of a corporation to be organized shall be irrevocable for a period of six months unless otherwise provided by the terms of the subscription agreement, or unless all of the subscribers consent to the revocation of such subscription.

(b) Unless otherwise provided in the subscription agreement, subscriptions for shares, whether made before or after the organization of a corporation, shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation. The bylaws may prescribe other penalties for failure to pay installments or calls that may become due, but no penalty working a forfeiture of the shares, or of the amounts paid thereon, shall be declared as against any subscriber unless the amount due thereon shall remain unpaid for a period of 20 days after written demand has been made therefor. Such written demand shall be deemed to be made when deposited in the United States mail in a sealed envelope addressed to the subscriber at his last post-office address known to the corporation, with the postage thereon prepaid. In the event of the sale of any shares by reason of any forefeiture, the excess of proceeds realized over the amount due and unpaid on such shares shall be paid to the delinquent subscriber or to his legal representative.

CONSIDERATION FOR SHARES

SEC. 16. (a) Shares having a par value may be issued for such consideration, not less than the par value thereof, as shall be fixed from time to time by the board of directors.

(b) Shares without par value may be isued for such consideration as may be fixed from time to time by the board of directors unless the articles of incorporation reserve to the shareholders the right to fix the consideration. In the event that such right be reserved as to any shares, the shareholders shall, prior to the issuance of such shares, fix the consideration to be received for such shares, by a vote of the holders of a majority of all outstanding shares entitled to vote thereon.

(c) Shares of a corporation issued and thereafter acquired by it may be disposed of by the corporation for such consideration as may be fixed from time to time by the board of directors.

(d) That part of the surplus of a corporation which is transferred to stated capital upon the issuance of shares as a share dividend shall be deemed to be the consideration for the issuance of such shares.

(e) In the event of an exchange of issued shares having a par value for a different number of shares having the same aggregate par value, whether of the same or of a different class or classes, or in the event of a conversion of shares, or in the event of an exchange of shares with or without par value into the same or a different number of shares without par value, whether of the same or a different class or classes, the consideration for the shares so issued in exchange shall be deemed to be (1) the consideration originally received for the shares so exchanged or converted; and (2) that part of surplus, if any, transferred to stated capital upon the issuance of shares for the shares so exchanged or converted; and (3) any additional consideration paid to the corporation upon the issuance of shares for the shares so exchanged or converted.

PAYMENT FOR SHARES

SEC. 17. (a) The consideration for the issuance of shares may be paid, in whole or in part, in money, in other property, tangible or intangible, or in labor or services actually performed for the corporation. When payment of the consideration for which shares are to be issued, which, in the case of shares having a par value, shall be not less than the par value thereof, shall have been received by the corporation, such shares shall be deemed to be full paid and nonassessable.

(b) Neither promissory notes nor future services shall constitute payment or part payment for shares of a corporation.

(c) In the absence of fraud in the transaction, the judgment of the board of directors or the shareholders, as the case may be, as to the value of the consideration received for shares shall be conclusive.

DETERMINATION OF AMOUNT OF STATED CAPITAL

SEC. 18. (a) A corporation may determine that only a part of the consideration for

which its shares may be issued, from time to time, shall be stated capital: *Provided*, That in the event of any such determination—

(1) if the shares issued shall consist wholly of shares having a par value, then the stated capital represented by such shares shall be not less than the aggregate par value of the shares so issued;

(2) if the shares issued shall consist wholly of shares without par value, all of which shares have a preferential right in the assets of the corporation in the event of its involuntary liquidation, then the stated capital represented by such shares shall be not less than the aggregate preferential amount payable upon such shares in the event of involuntary liquidation;

(3) if the shares issued consist wholly of shares without par value, and none of such shares has a preferential right in the assets of the corporation in the event of its involuntary liquidation, then the stated capital represented by such shares shall be the total consideration received therefor less such part thereof as may be allocated to paid-in surplus;

(4) if the shares issued shall consist of several or all of the classes of shares enumerated in (a), (b), and (c) of this section, then the stated capital represented by such shares shall be not less than the aggregate par value of any shares so issued having a par value and the aggregate preferential amount payable upon any shares so issued without par value having a preferential right in the event of involuntary liquidation.

(b) In order to determine that only a part of the consideration for which shares without par value may be issued from time to time shall be stated capital, the board of directors shall adopt a resolution setting forth the part of such consideration allocated to stated capital and the part otherwise allocated, and expressing such allocation in dollars. In the board of directors shall not have determined (a) at the time of the issuance of any shares issued for cash, or (b) within 60 days after the issuance of any shares issued for labor or services actually performed for the corporation or issued for property other than cash, that only a pat of the consideration for shares so issued shall be stated capital, then the stated capital of the corporation represented by such shares shall be an amount equal to the aggregate par value of all such shares having a par value, plus the consideration received for all such shares without par value.

(c) The stated capital of the corporation may be increased from time to time by resolution of the board of directors directing that all or a part of the paid-in or other surplus of the corporation be transferred to stated capital. The board of directors may direct that the amount of the surplus so transferred shall be deemed to be stated capital in respect of any designated class of shares.

EXPENSES OF ORGANIZATION, REORGANIZATION, AND FINANCING

SEC. 19. The reasonable charges and expenses of organization or reorganization of a corporation and reasonable compensation for the sale or underwriting of its shares may be paid or allowed by such corporation out of the consideration received by it in payment for its shares without thereby rendering such shares not full paid and nonassessable.

CERTIFICATES REPRESENTING SHARES

SEC. 20. (a) The shares of a corporation shall be represented by certificates signed by the president or a vice president and the secretary or an assistant secretary and sealed with the seal of the corporation. Such seal may be a facsimile. Where such a certificate is countersigned by a transfer agent other than the corporation itself or an employee of the corporation, or by a transfer clerk and registered by a registrar, the signatures of the president or vice president and the secretary or assistant secretary upon such certificate may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if such officer had not ceased to hold such office at the date of its issue.

(b) Every certificate representing shares issued by a corporation which is authorized to issue shares the transferability of which is restricted or limited shall state upon the face or back thereof, in full or in the form of a summary, all of the limitations and restrictions upon the transferability thereof.

(c) Every certificate representing shares issued by a corporation which is authorized to issue shares of more than one class shall state upon the face or back thereof, in full or in the form of a summary, all of the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued, and if the corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences between the shares of each such series so far as the same have been fixed and determined and the authority of the board of directors to fix and determine the relative rights and preferences of subsequent series.

(d) Each certificate representing shares shall also state—

(1) that the corporation is organized under the laws of the District of Columbia;

(2) the name of the person to whom issued;

(3) the number and class of shares which such certificate represents;

(4) the par value of each share represented by such certificate, or a statement that the shares are without par value.

(e) No certificate shall be issued for any share until such share is full paid.

ISSUANCE OF FRACTIONAL SHARES OR SCRIP

SEC. 21. A corporation may, but shall not be obliged to, issue a certificate for a fractional share and, by action of its board of directors, may issue in lieu thereof scrip or other evidence of ownership, which shall entitle the holder to receive a certificate for a full share upon the surrender of such scrip or other evidence of ownership aggregating a full share, but which shall not, unless otherwise provided, entitle the holder to exercise any voting right, or to receive dividends thereon or to participate in any of the assets of the corporation in the event of liquidation. The board of directors may cause such scrip or evidence of ownership to be issued subject to the condition that it shall become void if not exchanged for certificates representing full shares before a specified date, or subject to the condition that the shares for which such scrip or evidence of ownership is exchangeable may be sold by the corporation and the proceeds thereof distributed to the holders of such scrip or evidence of ownership, or subject to any other conditions which the board of directors may deem advisable.

LIABILITY OF SUBSCRIBERS AND SHAREHOLDERS

SEC. 22. (a) A holder of or subscriber to shares of a corporation shall be under no obligation to the corporation or its creditors with respect to such shares other than the obligation to pay to the corporation the full consideration for which said shares were issued or to be issued, which, as to shares having a par value, shall be not less than the par value thereof. Any person becoming an assignee or transferee of shares or of a subscription for shares in good faith and without knowledge or notice that the full consideration therefor has not been paid shall not be personally liable to the corporation or its creditors for any unpaid portion of such consideration.

(b) No person holding shares as executor, administrator, conservator, guardian, trustee, assignee for the benefit of creditors, or receiver shall be personally liable as a shareholder, but the estate and funds in the hands of said executor, administrator, conservator, guardian, trustee, assignee, or receiver shall be so liable. No pledgee or other holder of shares as collateral security shall be personally liable as a shareholder.

SHAREHOLDERS' PREEMPTIVE RIGHTS

SEC. 23. (a) The preemptive right of a shareholder to acquire additional shares of a corporation may be limited or denied to the extent provided in the articles of incorporation.

(b) Unless otherwise provided by its articles of incorporation, any corporation may issue and sell its shares to its employees or to the employees of any subsidiary corporation, without first offering such shares to its shareholders, for such consideration and upon such terms and conditions as shall be approved by the holders of two-thirds of its shares entitled to vote or by its board of directors pursuant to like approval of the shareholders.

BYLAWS

SEC. 24. The power to make, alter, amend, or repeal the bylaws of the corporation shall be vested in the board of directors unless reserved to the shareholders by the articles of incorporation. The bylaws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.

MEETINGS OF SHAREHOLDERS

SEC. 25. (a) Meetings of shareholders may be held at such place within or without the District of Columbia as may be provided in the bylaws. In the absence of any such provisions, all meetings shall be held at the registered office of the corporation.

(b) An annual meeting of the shareholders shall be held at such time as may be provided in the bylaws. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the corporation.

(c) Special meetings of the shareholders may be called by the president, the secretary, the board of directors, the holders of not less than one-fifth of all the outstanding shares entitled to vote, or by such other officers or persons as may be provided in the articles of incorporation or the bylaws.

NOTICE OF SHAREHOLDERS' MEETINGS

SEC. 26. Written or printed notice stating the place, day, and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, or the officer or person calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the records of the corporation, with postage thereon prepaid.

VOTING OF SHARES

SEC. 27. (a) Unless otherwise provided in the articles of incorporation, each outstanding share shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders.

(b) Shares of its own stock belonging to a corporation shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time, but shares of its own stock held by it in a fiduciary capacity may be voted and shall be counted in determining the total number of outstanding shares at any given time.

(c) A shareholder may vote either in person or by proxy executed in writing by the

shareholder or by his duly authorized attorney in fact. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the person executing it or his personal representatives or assigns; but the parties to a valid pledge or to an executory contract of sale may agree in writing as to which of them shall vote the stock pledged or sold until the contract of pledge or sale is fully executed.

(d) The articles of incorporation may provide that in all elections for directors every shareholder entitled to vote shall have the right to vote, in person or by proxy, the number of shares owned by him, for as many persons as there are directors to be elected, or to cumulate said shares, and give one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or to distribute such votes on the same principle among any number of such candidates.

CLOSING OF TRANSFER BOOKS AND FIXING RECORD DATE

SEC. 28. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the board of directors of a corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, 50 days. If the stock-transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least 10 days immediately preceding such meeting. In lieu of closing the stock-transfer books, the board of directors may fix in advance a date as the record date for any determination of shareholders, such date in any case to be not more than 50 days and, in case of a meeting of shareholders, not less than 10 days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If the stock-transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the board of directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders.

VOTING OF SHARES BY CERTAIN HOLDERS

SEC. 29. (a) Shares standing in the name of another corporation may be voted by such officer, agent, or proxy as the bylaws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine.

(b) Shares standing in the name of a deceased person may be voted by his administrator or executor, either in person or by proxy. Shares standing in the name of a guardian, conservator, or trustee may be voted by such fiduciary, either in person or by proxy, but no guardian, conservator, or trustee shall be entitled, as such fiduciary, to vote shares held by him without a transfer of such shares into his name.

(c) Shares standing in the name of a receiver or a trustee in bankruptcy may be voted by such receiver or trustee, and shares held by or under the control of a receiver or a trustee in bankruptcy may be voted by such receiver or trustee without the transfer thereof into his name if authority so to do be contained in an appropriate order of the court by which such receiver or trustee in bankruptcy was appointed.

(d) Except as otherwise provided in section 27, a shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

VOTING TRUST

SEC. 30. Any number of shareholders of a corporation may create a voting trust for the purpose of conferring upon a trustee or trustees the right to vote or otherwise represent their shares, for a period of not to exceed 10 years, by entering into a written voting trust agreement specifying the terms and conditions of the voting trust, by depositing a counterpart of the agreement with the corporation at its registered office, and by transferring their shares to such trustee or trustees for the purposes of the agreement. The counterpart of the voting-trust agreement so deposited with the corporation shall be subject to the same right of examination by a shareholder of the corporation, in person or by agent or attorney, as is the record of shareholders of the corporation, and shall be subject to examination by any holder of a beneficial interest in the voting trust, either in person or by agent or attorney, at any reasonable time for any proper purpose. The trustee or trustees may execute and deliver to the transferors voting-trust certificates which shall be transferable in the same manner and with the same effect as certificates of stock.

QUORUM OF SHAREHOLDERS

SEC. 31. (a) Unless otherwise provided in the articles of incorporation or bylaws, a majority of the outstanding shares having voting power, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders: *Provided*, That in no event shall a quorum consist of less than one-third of the outstanding shares having voting power.

(b) The shareholders present at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

(c) If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting from time to time until a quorum is present when any business may be transacted that may have been transacted at the meeting as originally called.

BOARD OF DIRECTORS

SEC. 32. The business and affairs of a corporation shall be managed by a board of directors. Directors need not be shareholders in the corporation unless the articles of incorporation or bylaws so provide. The articles of incorporation or bylaws may prescribe other qualifications for directors.

NUMBER AND ELECTION OF DIRECTORS

SEC. 33. The number of directors of a corporation shall not be less than three. Subject to such limitation, the number of directors shall be fixed by the bylaws, except as to the number constituting the first board of directors, which number shall be fixed by the articles of incorporation. The number of directors may be increased or decreased from time to time by amendment to the bylaws. In the absence of a bylaw fixing the number of directors, the number shall be the same as that stated in the articles of incorporation. The names and addresses of the members of the first board of directors shall be stated in the articles of incorporation. Such persons shall hold office until the first annual meeting of shareholders, or until their successors shall have been elected and qualified. At the first annual meeting of shareholders and at each annual meeting thereafter the shareholders shall elect directors to hold office until the next succeeding annual meeting, except as hereinafter provided. Each director shall hold office for the term for which he is elected or until his successor shall have been elected and qualified.

CLASSIFICATION OF DIRECTORS

SEC. 34. The bylaws may provide that the directors be divided into either two or three classes, each class to be as nearly equal in number as possible, the term of office of directors of the first class to expire at the first annual meeting of shareholders after their election, that of the second class to expire at the second annual meeting after their election, and that of the third class, if any, to expire at the third annual meeting after their election. At each annual meeting after such classification the number of directors equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office until the second succeeding annual meeting, if there be two classes, or until the third succeeding annual meeting, if there be three classes. No classification of directors shall be effective prior to the first annual meeting of shareholders.

VACANCIES

SEC. 35. Any directorship to be filled by reason of an increase in the number of directors may be filled by election at an annual meeting or at a special meeting of shareholders entitled to vote called for that purpose. Any vacancy occurring in the board of directors for any cause other than by reason of an increase in the number of directors may be filled by the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

QUORUM OF DIRECTORS

SEC. 36. A majority of the number of directors fixed by the bylaws, or in the absence of a bylaw fixing the number of directors, then of the number stated in the articles of incorporation, shall constitute a quorum for the transaction of business unless a greater number is required by the articles of incorporation or the bylaws. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by the articles of incorporation or the bylaws.

EXECUTIVE COMMITTEE

SEC. 37. If the bylaws so provide, the board of directors, by resolution adopted by a majority of the number of directors fixed by the bylaws, or in the absence of a bylaw fixing the number of directors, then of the number stated in the articles of incorporation, may designate two or more directors to constitute an executive committee, which committee, to the extent provided in such resolution or in the bylaws of the corporation shall have and may exercise all of the authority of the board of directors in the management of the business and affairs of the corporation; but the designation of such committee and the delegation thereto of authority shall not operate to relieve the board of directors, or any member thereof, of any responsibility imposed upon it or him by law.

PLACE OF DIRECTORS' MEETINGS

SEC. 38. Meetings of the board of directors, regular or special, may be held at such place within or without the District of Columbia as may be provided in the bylaws or by resolution adopted by a majority of the board of directors.

NOTICE OF DIRECTORS' MEETINGS

SEC. 39. Meetings of the board of directors shall be held upon such notice as is prescribed in the bylaws. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

DIVIDENDS

SEC. 40. The board of directors of a corporation may declare and the corporation may pay dividends on its outstanding shares in cash, property, or its own shares, subject to the following provisions:

(a) No dividend shall be declared or paid at a time when the corporation is insolvent or its net assets are less than its stated capital, or when the payment thereof would render the corporation insolvent or reduce its net assets below its stated capital.

(b) Dividends may be paid out of capital surplus or surplus arising from the surrender to the corporation of any of its shares only upon shares having a preferential right to receive dividends, provided that the source of such dividends shall be disclosed to the shareholders receiving such dividends, concurrently with payment thereof. The limitations of this subparagraph shall not limit nor be deemed to conflict with the provisions of this act in respect of the distribution of assets as a liquidating dividend.

(c) If a dividend is declared payable in its own shares having a par value, such shares shall be issued at the par value thereof and there shall be transferred to stated capital at the time such dividend is paid, an amount of surplus equal to the aggregate par value of the shares to be issued as a dividend.

(d) If a dividend is declared payable in its own shares without par value, such shares shall be issued at such value as shall be fixed by the board of directors by resolution adopted at the time such dividend is declared, and there shall be transferred to stated capital at the time such dividend is paid, an amount of surplus equal to the aggregate value so fixed in respect of such shares. The amount per share transferred to stated capital shall be disclosed to the shareholders receiving such dividends, concurrently with payment thereof.

(e) A split up or division of issued shares into a greater number of shares of the same class shall not be construed to be a share dividend within the meaning of this section.

(f) No dividend shall be declared or paid contrary to any restrictions contained in the articles of incorporation.

(g) Subject to any restrictions contained in its articles of incorporation, the directors of any corporation engaged in the exploitation of wasting assets may determine the net profits derived from the exploitation of such wasting assets without taking into consideration the depletion of such wasting assets resulting from lapse of time or from necessary consumption of such assets incidental to their exploitation and may pay dividends from the net profits so determined by the directors.

DIVIDENDS IN PARTIAL LIQUIDATION

SEC. 41. A corporation, from time to time, may distribute a portion of its assets, in cash or kind, to its shareholders as a liquidating dividend, in the following manner and subject to the following restrictions:

(a) The board of directors shall adopt a resolution recommending the payment of a liquidating dividend, specifying the class or classes of shareholders entitled thereto and the amount thereof, and directing that the question of such distribution be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice stating that the purpose or one of the purposes of such meeting is to consider the question of such distribution shall be given to each shareholder of record entiled to vote within the time and in the manner provided in this act for the giving of notice of meetings of shareholders. If such meeting be an annual meeting, such purpose may be included in the notice of such meeting.

(c) At such meeting a vote of the shareholders entitled to vote shall be taken by classes on the question of the proposed distribution. The affirmative vote of the holders of at least two-thirds of the outstanding shares of each class shall be required for the authorization of such distribution.

(d) No such distribution shall be made at a time when the corporation is insolvent or its net assets are less than its stated capital, or when such distribution would render the corporation insolvent or reduce its net assets below its stated capital.

(e) No such distribution shall be made to any class of shareholders unless all cumulative dividends accrued on preferred or special classes of shares entitled to preferential dividends shall have been fully paid.

(f) No such distribution shall be made to any class of shareholders which will reduce the remaining net assets below the aggregate preferential amount payable in event of voluntary liquidation to the holders of shares having preferred rights to the assets to the corporation in the event of liquidation.

(g) Each such distribution, when made, shall be identified as a liquidating dividend and the amount per share shall be disclosed to the shareholders receiving the same, concurrently with the payment thereof.

LIABILITY OF DIRECTORS IN CERTAIN CASES

SEC. 42. (a) In addition to any other liabilities imposed by law upon directors of a corporation—

(1) directors of a corporation who vote for or assent to the declaration of any dividend or other distribution of the assets of a corporation to its shareholders contrary to the provisions of this act, or contrary to any restrictions contained in the articles of incorporation, shall be jointly and severally liable to the corporation for the amount of such dividend which is paid or the value of such assets which are distributed in excess of the amount of such dividend or distribution which could have been paid or distributed without a violation of the provisions of this act or any restrictions in the articles of incorporation;

(2) the directors of a corporation who vote for or assent to the declaration of any dividend or other distribution of assets of a corporation to its shareholders which renders the corporation insolvent or reduces its net assets below its stated capital shall be jointly and severally liable to the corporation for the amount of such dividend which is paid or the value of such assets which are distributed, to the extent that the corporation is thereby rendered insolvent or its net assets are reduced below its stated capital;

(3) the directors of a corporation who vote or assent to any distribution of assets of a corporation to its shareholders during the liquidation of the corporation without an adequate provision for, or the payment and discharge of, all debts, obligations, and liabilities of the corporation shall be jointly and severally liable to the corporation for the amount of such dividend which is paid or the value of such assets which are distributed, to the extent that such debts, obligations, and liabilities of the corporation are not thereafter paid and discharged;

(4) the directors of a corporation who vote for or assent to the making of a loan to an officer or director of the corporation shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

(b) A director of a corporation who is present at a meeting of its board of directors at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

(c) A director shall not be liable under either subparagraph (1) or (2) of this section if he relied and acted in good faith upon a balance sheet and profit-and-loss statement of the corporation represented to him to be correct by the president or the officer of such corporation having charge of its books of account, or certified by an independent public or certified public accountant or firm of such accountants to fairly reflect the financial conditions of such corporation, nor shall he be so liable if in good faith in determining the amount available for any such dividend or distribution he considered the assets to be of their book value.

(d) Any director against whom a claim shall be asserted under or pursuant to this section, and who shall be held liable thereon, shall be entitled to contribution from the other directors who are likewise liable thereon.

(e) Any director against whom a claim shall be asserted under or pursuant to this section for the improper declaration of a dividend or other distribution of assets of a corporation and who shall be held liable thereon, shall be entitled to contribution from the shareholders who knowingly accepted or received any such dividend or assets, in proportion to the amounts received by them, respectively.

OFFICERS

SEC. 43. (a) The officers of a corporation shall consist of a president, one or more vice presidents as may be prescribed by the bylaws, a secretary, and a treasurer, each of whom shall be elected by the board of directors at such time and in such manner as may be prescribed by the bylaws. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the board of directors or chosen in such other manner as may be prescribed by the bylaws. If the bylaws so provide, any two or more offices may be held by the same person, except the offices of president and secretary.

(b) All officers and agents of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the property and affairs of the corporation as may be provided in the bylaws, or as may be determined by resolution of the board of directors not inconsistent with the bylaws.

REMOVAL OF OFFICERS

SEC. 44. Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

BOOKS AND RECORDS

SEC. 45. (a) Each corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its shareholders and board of directors; and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its shareholders, giving the names and addresses of all shareholders and the number and class of the shares held by each.

(b) Any person or persons who shall be the holder or holders of record of at least 5 percent of all the outstanding shares of a corporation shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, its record of shareholders and to make extracts thereform.

(c) A holder of a voting-trust certificate evidencing an interest in a voting trust conforming to the provisions of this act shall

have the same rights as a shareholder to examine and make extracts from the record of shareholders of the corporation.

(d) If any person or persons holding in the aggregate 5 percent or more of all of the outstanding shares of a corporation shall present to any officer, director, or registered agent of the corporation a written request for a statement of its affairs, it shall be his duty to make or procure such a statement sworn to by the president or a vice president or by the treasurer or an assistant treasurer, embracing a particular account of its assets and liabilities in detail, and to have the same ready and on file at the registered office of the corporation within 30 days after the presentation of such request. Such statement shall at all times during business hours be open to the inspection of any shareholder and he shall be entitled to copy the same.

(e) Any corporation whose officers or agents shall refuse to allow any such shareholder, entitled under the provisions of this section to examine the record of shareholders, or his agent or attorney, to examine and make extracts from its record of shareholders, for any proper purpose, shall be liable to such shareholder in a penalty of $50, in addition to any other damages or remedy afforded him by law. It shall be a defense to any action for penalties under this section that the person suing therefor has within 2 years sold or offered for sale any list of shareholders of such corporation or any other corporation or has aided or abetted any person in procuring any list of shareholders for any such purpose, or has improperly used any information secured through any prior examination of the record of shareholders of such corporation or any other corporation.

(f) Nothing herein contained shall impair the power of any court of competent jurisdiction, upon proof by a shareholder of proper purpose, irrespective of the period of time during which such shareholder shall have been a shareholder of record, and irrespective of the number of shares held by him, to compel by mandamus or otherwise the production for examination by such shareholder of the books and records of account, minutes, and record of shareholders of a corporation.

INCORPORATORS

SEC. 46. Three or more natural persons of the age of 21 years or more may act as incorporators of a corporation by signing, verifying, and filing in duplicate in the office of the Commissioner of Corporations articles of incorporation for such corporation.

ARTICLES OF INCORPORATION

SEC. 47. The articles of incorporation shall set forth:

(a) The name of the corporation.

(b) The period of duration, which may be perpetual.

(c) The purpose or purposes for which the corporation is organized.

(d) The aggregate number of shares which the corporation shall have authority to issue; if said shares are to consist of one class only, the par value of each of said shares, or a statement that all of said shares are without par value; or, if said shares are to be divided into classes, the number of shares of each class, and a statement of the par value of the shares of each such class or that such shares are to be without par value.

(e) If the shares are to be divided into classes, the designation of each class and a statement of the preferences, voting power, limitations, restrictions, qualifications, and the special or relative rights in respect of the shares of each class.

(f) The minimum amount of capital with which the corporation shall commence business shall be not less than $1,000.

(g) If the corporation is to issue the shares of any preferred or special class in series, then the designation of each series and a statement of the variations in the relative rights and preferences as between different series insofar as the same are to be fixed in the articles of incorporation, and a statement of any authority to be vested in the board of directors to establish series and fix and determine the variations in the relative rights and preferences as between series.

(h) Any provision limiting or denying to shareholders the preemptive right to acquire additional shares of the corporation.

(i) Any provision, not inconsistent with law, which the incorporators elect to set forth in the articles of incorporation for the regulation of the internal affairs of the corporation, including any provision which under this act is required or permitted to be set forth in the bylaws.

(j) The address, including street and number, if any, of its initial registered office, and the name of its initial registered agent at such address.

(k) The number of directors constituting the initial board of directors and the names and addresses, including street and number, if any, of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors be elected and qualify.

(l) The name and address, including street and number, if any, of each incorporator.

It shall not be necessary to set forth in the articles of incorporation any of the corporate powers enumerated in this act. Whenever a provision of the articles of incorporation is inconsistent with a bylaw, the provision of the articles of incorporation shall be controlling.

FILING OF ARTICLES OF INCORPORATION

SEC. 48. (a) Duplicate originals of the articles of incorporation shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that the articles of incorporation conform to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of incorporation to which he shall affix the other duplicate original.

(b) The certificate of incorporation, together with the duplicate original of the articles of incorporation affixed thereto by the Commissioner of Corporations, shall be recorded in the office of the Recorder of Deeds.

EFFECT OF ISSUANCE OF CERTIFICATE OF INCORPORATION

SEC. 49. Upon the issuance of the certificate of incorporation, the corporate existence shall begin, and such certificate of incorporation shall be conclusive evidence that all conditions precedent required to be performed by the incorporators have been complied with and that the corporation has been incorporated under this act, except as against the District of Columbia in a proceeding to cancel or revoke the certificate of incorporation.

REQUIREMENT BEFORE COMMENCING BUSINESS

SEC. 50. A corporation shall not transact any business or incur any indebtedness, except such as shall be incidental to its organization or to obtaining subscriptions to or payment for its shares, until at least the minimum amount of capital set forth in its articles of incorporation as the minimum amount of capital with which it will commence business has been fully paid in.

ORGANIZATION MEETING OF DIRECTORS

SEC. 51. After the issuance of the certificate of incorporation an organization meeting of the board of directors named in the articles of incorporation shall be held within the United States, at the call of a majority of the directors so named, for the purpose of adopting bylaws, electing officers, and the transaction of such other business as may come before the meeting. The directors calling the meeting shall give at least 5 days' notice thereof by mail to each director so elected, which notice shall state the time and place of the meeting: *Provided, however,* That if all the directors shall waive notice in writing and fix a time and place for said organization meeting no notice shall be required of such meeting.

RIGHT TO AMEND ARTICLES OF INCORPORATION

SEC. 52. A corporation may amend its articles of incorporation, from time to time, in any and as many respects as may be desired: *Provided,* That its articles of incorporation as amended contain only such provisions as might be lawfully contained in original articles of incorporation if made at the time of making such amendment, and, if a change in shares or the rights of shareholders, or an exchange, reclassification, or cancellation of shares or rights of shareholders is to be made, such provisions as may be necessary to effect such change, exchange, reclassification, or cancellation.

In particular, and without limitation upon such general power of amendment, a corporation may amend its articles of incorporation, from time to time, so as:

(a) To change its corporate name.

(b) To change its period of duration.

(c) To change, enlarge, or diminish its corporate purposes.

(d) To increase or decrease the aggregate number of shares, or shares of any class, which the corporation has authority to issue.

(e) To increase or decrease the par value of the authorized shares of any class having a par value, whether issued or unissued.

(f) To exchange, classify, reclassify, or cancel all or any part of its shares, whether issued or unissued.

(g) To change the designations of all or any part of its shares, whether issued or unissued, and to change the preferences, voting power, qualifications, limitations, restrictions, and the special or relative rights in respect of all or any part of its shares, whether issued or unissued.

(h) To divide any preferred or special class of shares, whether issued or unissued, into series and fix and determine the designations of such series and the variations in the relative rights and preferences as between the shares of such series.

(i) To authorize the board of directors to establish, out of authorized but unissued shares, series of any preferred or special class of shares and fix and determine the relative rights and preferences of the shares of any series so established.

(j) To authorize the board of directors to fix and determine the relative rights and preferences of the authorized but unissued shares of series theretofore established in respect of which either the relative rights and preferences have not been fixed and determined or the relative rights and preferences theretofore fixed and determined are to be changed.

(k) To revoke, diminish, or enlarge the authority of the board of directors to establish series out of authorized but unissued shares of any preferred or special class and fix and determine the relative rights and preferences of the shares of any series so established.

(l) To change shares having a par value, whether issued or unissued, into the same or a different number of shares without par value, and to change shares without par value, whether issued or unissued, into the same or a different number of shares having a par value.

(m) To change the share of any class, whether issued or unissued, and whether with or without par value, into a different number of shares of the same class or into the same or a different number of shares, either with or without par value, of other classes.

(n) To create new classes of shares having rights and preferences either prior and superior or subordinate and inferior to the shares of any class then authorized, whether issued or unissued.

(o) To limit, deny, or grant to shareholders of any class the preemptive right to subscribe for or acquire additional shares of the corporation, whether then or thereafter authorized.

PROCEDURE TO AMEND ARTICLES OF INCORPORATION BEFORE ACCEPTANCE OF SUBSCRIPTIONS TO SHARES

SEC. 53. Amendments to the articles of incorporation before any subscriptions to shares have been accepted by the board of directors shall be made in the following manner:

(a) Amended articles of incorporation modifying, changing, or altering the original articles of incorporation shall be signed by all of the living or competent incorporators who signed the original articles of incorporation, verified and filed in duplicate in the office of the Commissioner of Corporations. Such amended articles of incorporation shall contain only such provisions as might be lawfully contained in original articles of incorporation if made at the time of making such amended articles of incorporation.

(b) Such amended articles of incorporation shall be delivered in duplicate original to the Commissioner of Corporations. If the Commissioner of Corporations finds that such amended articles of incorporation conform to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Commissioner of Corporations shall be recorded in the office of the Recorder of Deeds.

(c) Upon the issuance of the amended articles of incorporation, the amended articles of incorporation shall become effective and shall take the place of the original articles of incorporation.

PROCEDURE TO AMEND ARTICLES OF INCORPORATION AFTER ACCEPTANCE OF SUBSCRIPTION TO SHARES

SEC. 54. Amendments to the articles of incorporation shall be made in the following manner:

(a) The board of directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each shareholder of record entitled to vote at such meeting within the time and in the manner provided in this act for the giving of notice of meetings of shareholders. If the meeting be an annual meeting, the proposed amendment or such summary shall be included in the notice of such annual meeting.

(c) At such meeting a vote of the shareholders entitled to vote shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote, unless any class of shares is entitled to vote as a class in respect thereof, as hereinafter provided, in which event the proposed amendment shall be adopted upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares of each class of shares entitled to vote as a class in respect thereof and of the total outstanding shares entitled to vote.

(d) Any number of amendments may be submitted to the shareholders, and voted upon by them, at one meeting.

WHEN ENTITLED TO VOTE BY CLASSES

SEC. 55. The holders of the outstanding shares of a class whether by the provisions of the articles of incorporation such class of stock is entitled to vote or not shall be entitled to vote as a class upon a proposed amendment which would—

(a) Increase or decrease the aggregate number of authorized shares of such class.

(b) Increase or decrease the par value of the shares of such class.

(c) Effect an exchange, reclassification, or concellation of all or part of the shares of such class.

(d) Effect an exchange, or create a right of exchange, of all or any part of the shares of another class into the shares of such class.

(e) Change the designations, preferences, limitations, voting, or relative rights of the shares of such class.

(f) Change the shares of such class having a par value into the same or a different number of shares without par value, or change the shares of such class without par value into the same or a different number of shares having a par value.

(g) Change the shares of such class, whether with or without par value, into a different number of shares of the same class, or into the same or a different number of shares, either with or without par value, of other classes.

(h) In the case of a preferred or special class of shares, divide the shares of such class into series and fix and determine the designation of such series and the variations in the relative rights and preferences between the shares of such series.

(i) Create a new class of shares having rights and preferences prior and superior to the shares of such class.

(j) Limit or deny the existing preemptive rights of the shares of such class.

ARTICLES OF AMENDMENT

SEC. 56. (a) The articles of amendment shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and shall set forth—

(1) the name of the corporation;

(2) the amendment so adopted;

(3) the date of the adoption of the amendment by the shareholders;

(4) the number of shares outstanding, and the number of shares entitled to vote, and if the shares of any class are entitled to vote as a class, the designation of each such class and the number of outstanding shares thereof entitled to vote;

(5) the number of shares voted for and against such amendment, respectively, and, if the shares of any class are entitled to vote as a class, the number of shares of each such class voted for and against such amendment, respectively;

(6) if such amendment provides for an exchange, reclassification, or concellation of issued shares, and if the manner in which the same shall be effected is not set forth in the amendment, then a statement of the manner in which the same shall be effected;

(7) if such amendment effects a change in the amount of stated capital, or paid-in surplus, or both, then a statement of the manner in which the same is effected and a statement, expressed in dollars, of the amount of stated capital and the amount of paid-in surplus as changed by such amendment.

(b) If issued shares without par value are changed into the same or a different number of shares having par value, the aggregate par value of the shares into which the shares without par value are changed shall not exceed the sum of (1) the amount of stated capital represented by such shares without par value, and (2) the amount of surplus, if any, transferred to stated capital on account of such change, and (3) any additional consideration paid for such shares with par value and allocated to stated capital.

FILING OF ARTICLES OF AMENDMENT

SEC. 57. (a) Duplicate originals of the articles of amendment shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that the articles of amendment conform to law, he shall, when all fees and taxes have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of amendment to which he shall affix the other duplicate original.

(b) The certificate of amendment with the duplicate original of the articles of amendment affixed thereto shall be recorded in the Office of the Recorder of Deeds.

EFFECT OF CERTIFICATE OF AMENDMENT

SEC. 58. (a) Upon the issuance of the certificate of amendment, the amendment shall become effective and the articles of incorporation shall be deemed to be amended accordingly.

(b) No amendment shall affect any existing cause of action in favor of or against such corporation, or any pending suit to which such corporation shall be a party, or the existing rights of persons other than shareholders; and, in the event the corporate name shall be changed by amendment, no suit brought by or against such corporation under its former name shall abate for that reason.

REDEMPTION AND CANCELLATION OF SHARES

SEC. 59. (a) If the articles of incorporation provide that redeemable shares redeemed shall be canceled and shall not be reissued, then, in the event of such cancellation of shares, the stated capital of the corporation shall be deemed to be reduced by that part of the stated capital which was, at the time of such cancellation, represented by the shares so canceled.

(b) No redemption or purchase of redeemable shares shall be made which will reduce the remaining assets of the corporation below an amount sufficient to pay all debts and known liabilities of the corporation as they mature, except such debts and liabilities as have been otherwise adequately provided for, or which will reduce the net assets below the aggregate amount payable to the holders of shares having prior or equal rights to the assets of the corporation upon dissolution.

(c) When redeemable shares of a corporation have been canceled pursuant to the provisions of the articles of incorporation, a statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by the secretary or an assistant secretary, which statement shall set forth—

(1) the name of the corporation;

(2) the aggregate number of shares which the corporation had authority to issue, itemized by classes and series;

(3) the number of shares canceled, itemized by classes and series;

(4) the number of shares which the corporation has authority to issue, itemized by classes and series, after giving effect to the cancellation;

(5) a statement of the aggregate number of issued shares itemized by classes, par value of shares, shares without par value, and series, if any, within a class, after giving effect to such cancellation;

(6) a statement, expressed in dollars, of the amount of the stated capital and the amount of paid-in surplus of the corporation after giving effect to such cancellation.

(d) Such statement shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall—

(1) endorse on each of such duplicate originals the word "Filed", and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) return the other duplicate original to the corporation or its representative.

(e) The duplicate original returned by the Commissioner of Corporations shall be recorded in the office of the Recorder of Deeds.

(f) The filing of such statement by the Commissioner of Corporations shall operate as an amendment to the articles of incorporation and shall reduce the number of shares of the class so canceled which the corporation is authorized to issue by the number of shares so canceled.

(g) Nothing contained in this section shall be construed to forbid a reduction of authorized shares or a reduction of stated capital in any other manner permitted by this act.

CANCELLATION OF REACQUIRED SHARES

SEC. 60. (a) A corporation may at any time, by resolution of its board of directors, cancel all or any part of the shares of the corporation of any class reacquired by it through redemption, purchase, or otherwise, and in the event of such cancellation a statement of cancellation shall be filed as provided in this section. When any reacquired shares have been canceled by resolution of the board of directors, a statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by the secretary or assistant secretary, which statement shall set forth—

(1) the name of the corporation;

(2) the aggregate number of shares which the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class;

(3) the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class before giving effect to such cancellation;

(4) the number of shares canceled, itemized by classes, par value of shares, shares without par value, and series, if any, within a class;

(5) a statement that the shares so canceled were canceled by a resolution duly adopted by the board of directors;

(6) the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, after giving effect to such cancellation;

(7) a statement, expressed in dollars, of the amount of the stated capital and the amount of the paid-in surplus of the corporation before giving effect to such cancellation;

(8) a statement, expressed in dollars, of the amount of the stated capital and the amount of the paid-in surplus of the corporation after giving effect to such cancellation.

(b) Such statement shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall—

(1) endorse on each of such duplicate originals the word "Filed", and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Commissioner of Corporations shall be recorded in the Office of the Recorder of Deeds.

(c) Upon the filing of such statement by the Commissioner of Corporations, the stated capital of the corporation shall be deemed to be reduced by that part of the stated capital which was, at the time of such cancellation, represented by the shares so canceled and the shares so canceled shall be deemed to be authorized but unissued shares.

(d) Nothing contained in this section shall be construed to forbid a cancellation of shares or a reduction of stated capital in any other manner permitted by this act.

REDUCTION OF STATED CAPITAL IN CERTAIN CASES

SEC. 61. (a) The reduction of the stated capital of a corporation where such reduction is not accompanied by an exchange, reclassification, or cancellation of shares, or by a reduction in the par value of issued shares, or by a reduction of the number of authorized shares of any class below the number of issued shares of that class, or by a redemption and cancellation of shares, may be made in the following manner:

(1) The board of directors shall adopt a resolution setting forth the amount of the proposed reduction and the manner in which the reduction shall be effected, and directing that the question of such reduction be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(2) Written or printed notice, stating that the purpose of one of the purposes of such meeting is to consider the question of reducing the stated capital of the corporation, shall be given to each shareholder of record entitled to vote within the time and in the manner provided in this act for the giving of notice of meetings of shareholders.

(3) At such meeting a vote of the shareholders entitled to vote shall be taken on the question of the proposed reduction of stated capital, which shall require for its adoption the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote.

(b) When a reduction of the stated capital of a corporation has been approved as provided in this section, a statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by the secretary or an assistant secretary, which statement shall set forth—

(1) the name of the corporation;

(2) a copy of the resolution of the shareholders approving such reduction;

(3) the total number of shares outstanding and the number of shares entitled to vote;

(4) the number of shares voted for and against such reduction, respectively;

(5) a statement of the manner in which such reduction is effected, and a statement, expressed in dollars, of the amount of stated capital and the amount of capital surplus of the corporation adjusted to give effect to such reduction.

(c) Such statement shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Commissioner of Corporations shall be recorded in the office of the Recorder of Deeds.

SEC. 62. (a) No reduction of stated capital shall be made under the provisions of section 61 which would reduce the amount of the aggregate stated capital of the corporation to an amount less than the aggregate preferential amounts payable upon all issued shares having a preferential right in the assets of the corporation in the event of involuntary liquidation, plus the aggregate par value, after such reduction, of all issued shares having a par value but no preferential right in the assets of the corporation in the event of involuntary liquidation.

(b) The surplus, if any, created by or arising out of the reduction of the stated capital of a corporation shall be deemed to be paid-in surplus, except where such reduction is effected by the cancellation of its own shares belonging to the corporation, or by the redemption and cancellation of shares, in either of which events the capital surplus, if any, created by such reduction shall not exceed the amount by which the stated capital represented by such shares exceeded the cost thereof to the corporation.

REDUCTION OF PAID-IN SURPLUS

SEC. 63. A corporation may, by resolution of its board of directors, apply any part or all of its paid-in surplus to the reduction or elimination of any deficit arising from operating or other losses or from dimunition in value of its assets.

PROCEDURE FOR MERGER

SEC. 64. Any two or more domestic corporations may merge into one of such corporations in the following manner:

The board of directors of each corporation shall, by resolution adopted by the majority vote of the members of each such board, approve a plan of merger setting forth:

(a) The names of the corporations proposing to merge, and the name of the corporation into which they propose to merge, which is hereinafter designated as the surviving corporation.

(b) The terms and conditions of the proposed merger.

(c) The manner and basis of converting the shares of each merging corporation into shares or other securities or obligations of the surviving corporation.

(d) A statement of any changes in the articles of incorporation of the surviving corporation to be effected by such merger.

(e) Such other provisions with respect to the proposed merger as are deemed necessary or desirable.

PROCEDURE FOR CONSOLIDATION

SEC. 65. Any two or more domestic corporations may consolidate into a new corporation in the following manner:

The board of directors of each corporation, shall by a resolution adopted by a majority vote of the members of each such board, approve a plan of consolidation setting forth:

(a) The names of the corporations proposing to consolidate, and the name of the new corporation into which they propose to consolidate, which is hereinafter designated as the new corporation.

(b) The terms and conditions of the proposed consolidation.

(c) The manner and basis of converting the shares of each corporation into shares, or other securities, or obligations of the new corporation.

(d) With respect to the new corporation, all of the statements required to be set forth in articles of incorporation for corporations organized under this act.

(e) Such other provisions with respect to the proposed consolidation as are deemed necessary or desirable.

MEETINGS OF SHAREHOLDERS

SEC. 66. The board of directors of each corporation, upon approving such plan of merger or plan of consolidation, shall, by resolution, direct that the plan be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting. Written or printed notice shall be delivered not less than 20 days before such meeting, either personally or by mail, to each shareholder of record entitled to vote at such

meeting. Such notice shall state the place, day, hour, and purpose of the meeting, and a copy or a summary of the plan of merger or plan of consolidation, as the case may be, shall be included in or enclosed with such notice.

APPROVAL BY SHAREHOLDERS

SEC. 67. At each such meeting, a vote of the shareholders shall be taken on the proposed plan of merger or consolidation. The plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of two-thirds of the outstanding shares of each corporation unless as to any of such corporations two or more classes of shares are issued in which event as to such corporation or corporations the plan of merger or consolidation shall be approved upon receiving the affirmative vote of at least two-thirds of the outstanding shares of each such class.

ARTICLES OF MERGER OR CONSOLIDATION

SEC. 68. (a) Upon such approval, articles of merger or articles of consolidation shall be executed in duplicate by each corporation by its president or a vice president, and verified by him, and the corporate seal of each corporation shall be thereto affixed, attested by its secretary or an assistant secretary, and shall set forth—

(1) the plan of merger or the plan of consolidation;

(2) as to each corporation, the number of shares outstanding, and if there are two or more classes of shares issued, the designation of each such class and the number of shares thereof outstanding;

(3) as to each corporation, the number of shares voted for and against such plan respectively, and, if there are two or more classes of shares issued the number of shares of each such class voted for and against such plan, respectively.

(b) Such articles of merger or consolidation shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such articles of merger or consolidation conform to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of merger or certificate of consolidation to which he shall attach the other duplicate original which shall then be filed for record in the Office of the Recorder of Deeds.

EFFECTIVE DATE OF MERGER OR CONSOLIDATION

SEC. 69. Upon the issuance of the certificate of merger or the certificate of consolidation by the Commissioner of Corporations, the merger or consolidation shall be effected.

EFFECT OF MERGER OR CONSOLIDATION

SEC. 70. When such merger or consolidation has been effected:

(a) The several corporations parties to the plan of merger or consolidation shall be a single corporation, which, in the case of a merger, shall be that corporation designated in the plan of merger as the surviving corporation, and, in the case of a consolidation, shall be the new corporation provided for in the plan of consolidation.

(b) The separate existence of all corporations parties to the plan of merger or consolidation, except the surviving or new corporation, shall cease.

(c) Such surviving or new corporation, as the case may be, shall have all the rights, privileges, immunities, and powers and shall be subject to all the duties and liabilities of a corporation organized under this act.

(d) Such surviving or new corporation shall thereupon and thereafter possess all the rights, privileges, immunities, and franchises, as well of a public as a private nature, of each of the merging or consolidating corporations; and all property—real, personal, and mixed—and all debts due on whatever account, including subscriptions to shares, and all other choses in action, and all and every other interest, of or belonging to or due to each of the corporations so merged or consolidated, shall be taken and deemed to be transferred to and vested in such single corporation without further act or deed; and the title to any real estate, or any interest therein, vested in any of such corporations shall not revert or be in any way impaired by reason of such merger or consolidation.

(e) Such surviving or new corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each of the corporations so merged or consolidated; and any claim existing or action or proceeding pending by or against any of such corporations may be prosecuted to judgment as if such merger or consolidation had not taken place, or such surviving or new corporation may be substituted in its place. Neither the rights of creditors nor any liens upon the property of any such corporation shall be impaired by such merger or consolidation.

(f) In the case of a merger, the articles of incorporation of the surviving corporation shall be deemed to be amended to the extent, if any, that changes in its articles of incorporation are stated in the articles of merger; and, in the case of a consolidation, the statements set forth in the articles of consolidation and which are required or permitted to be set forth in the articles of incorporation of corporations organized under this act shall be deemed to be the articles of incorporation of the new corporation.

(g) The aggregate amount of the net assets of the merging or consolidating corporations which was available for the payment of dividends immediately prior to such merger or consolidation, to the extent that the amount thereof is not transferred to stated capital by the issuance of shares or otherwise, shall continue to be available for the payment of dividends by such surviving or new corporation.

MERGER OR CONSOLIDATION OF DOMESTIC AND FOREIGN CORPORATIONS

SEC. 71. One or more foreign corporations and one or more domestic corporations may be merged or consolidated if permitted by the laws of the State under which each such foreign corporation is organized:

(a) Each domestic corporation shall comply with the provisions of this act with respect to the merger or consolidation, as the case may be, of domestic corporations and each foreign corporation shall comply with the applicable provisions of the laws of the State under which it is organized.

(b) If the surviving or new corporation, as the case may be, is to be governed by the laws of any State other than the District of Columbia, it shall comply with the provisions of this act with respect to foreign corporations if it is to do business in the District of Columbia, and in every case it shall file with the Commissioner of Corporations—

(1) an agreement that it may be served with process in the District of Columbia in any proceeding for the enforcement of any obligation of any domestic corporation which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such domestic corporation against the surviving or new corporation;

(2) an irrevocable appointment of the Commissioner of Corporations of the District of Columbia as its agent to accept service of process in any such proceeding; and

(3) an agreement that it will promptly pay to the dissenting shareholders of any such domestic corporation the amount if any, to which they shall be entitled under the provisions of this act with respect to the rights of dissenting shareholders.

(c) The effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations, if the surviving or new corporation is to be governed by the laws of the District of Columbia. If the surviving or new corporation is to be governed by the laws of any State other than the District of Columbia, the effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations except insofar as the laws of such other State provide otherwise.

MERGER OF PARENT CORPORATION AND WHOLLY OWNED SUBSIDIARY

SEC. 72. (a) Any corporation now or hereafter organized under the provisions hereof or existing under the laws of the District of Columbia, for the purpose of carrying on any kind of business, owning all of the stock of any other corporation now or hereafter organized hereunder or existing under the laws of the District of Columbia, or now or hereafter organized under the laws of any other State of the United States of America, if the laws under which said other corporation is formed shall permit a merger as herein provided, may file, in duplicate original in the office of the Commissioner of Corporations, a certificate of such ownership in its name and under its corporate seal, signed by its president or a vice president, and its secretary or assistant secretary or assistant treasurer, and setting forth a copy of the resolution of its board of directors to merge such other corporation, and to assume all of its obligations and the date of the adoption thereof. If the Commissioner of Corporations finds that such certificate of ownership conforms to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed", and the month, day, and year of the filing thereof;

(2) File one of such duplicate originals in his office;

(3) issue a certificate of ownership to which he shall affix the other duplicate original which certificate shall then be recorded in the Office of the Recorder of Deeds.

(b) Upon the issuance of the certificate of ownership, the merger shall be effected and thereupon all of the estate, property, rights, privileges, and franchises of such other corporation shall vest in and be held and enjoyed by such parent corporation as fully and entirely and without change or diminution as the same were before held and enjoyed by such other corporation, and be managed and controlled by such parent corporation, and except as hereinafter in this section provided, in its name, but subject to all liabilities and obligations of such other corporation and the rights of all creditors thereof. The parent corporation shall not thereby acquire power to engage in any business, or to exercise any right, privilege, or franchise, of a kind which it could not lawfully engage in or exercise under the provisions of the law or laws by or pursuant to which such parent corporation is organized, or operates in the District of Columbia. The parent corporation shall be deemed to have assumed all of the obligations and liabilities of the merged corporation and shall be liable in the same manner as if it had itself incurred such liabilities and obligations. The parent corporation may relinquish its corporate name and assume in lieu thereof the name of the merged corporation, by including it in a provision to that effect in the resolution of merger adopted by the directors and set forth in the certificate of ownership, and upon the filing of such certificate the change of name shall be completed, with the same force and effect and subject to the same conditions and consequences as if such change had been accomplished by proceedings under the appropriate section of this act.

RIGHTS OF DISSENTING SHAREHOLDERS

SEC. 73. (a) If a shareholder of a corporation which is a party to a merger or consolidation shall file with such corporation, prior to or at the meeting of shareholders at which the plan of merger or consolidation is submitted to a vote, a written objection to such plan of merger or consolidation, and shall not vote in favor thereof, and such shareholder, within 20 days after the merger or consolidation is effected, shall make written demand on the surviving or new corporation for payment of the fair value of his shares as of the day prior to the date on which the vote was taken approving the merger or consolidation, the surviving or new corporation shall pay to such shareholder, upon surrender of his certificate or certificates representing said shares, such fair value thereof. Such demand shall state the number and class of the shares owned by such dissenting shareholder. Any shareholder failing to make demand within the 20-day period shall be bound by the terms of the merger or consolidation.

(b) If within 30 days after the date on which such merger or consolidation was effected the value of such shares is agreed upon between the dissenting shareholder and the surviving or new corporation payment therefor shall be made within 90 days after the date on which such merger or consolidation was effected, upon the surrender of his certificate or certificates representing said shares. Upon payment of the agreed value the dissenting shareholder shall cease to have any interest in such shares or in the corporation.

(c) If within such period of 30 days the shareholder and the surviving or new corporation do not so agree, then the dissenting shareholder may, within 60 days after the expiration of the 30-day period, file a petition in any court of competent jurisdiction within the District of Columbia, asking for a finding and determination of the fair value of such shares, and shall be entitled to judgment against the surviving or new corporation for the amount of such fair value as of the day prior to the date on which such vote was taken approving such merger or consolidation, together with interest thereon at the rate of 5 percent per annum to the date of such judgment. The judgment shall be payable only upon and simultaneously with the surrender to the surviving or new corporation of the certificate or certificates representing said shares. Upon payment of the judgment, the dissenting shareholder shall cease to have any interest in such shares or in the surviving or new corporation. Such shares may be held and disposed of by the surviving or new corporation as it may see fit. Unless the dissenting shareholder shall file such petition within the time herein limited, such shareholder and all persons claiming under him shall be bound by the terms of the merger or consolidation.

(d) The right of a dissenting shareholder to be paid the fair value of his shares as herein provided shall cease if and when the corporation shall abandon the merger or consolidation.

SALE, LEASE, EXCHANGE, OR MORTGAGE OF ASSETS IN USUAL AND REGULAR COURSE OF BUSINESS

SEC. 74. The sale, lease, exchange, mortgage, pledge, or other disposition of less than all, or less than substantially all, the property and assets of a corporation, when made in the usual and regular course of the business of the corporation, may be made upon such terms and conditions and for such considerations, which may consist in whole or in part, of money or property, real or personnel, including shares of any other corporation, whether or not such corporation be organized under the provisions of this act, as shall be authorized by its board of directors; and in such case no authorization or consent of the shareholders shall be required.

SALE, LEASE, EXCHANGE, OR MORTGAGE OF ASSETS OTHER THAN IN USUAL AND REGULAR COURSE OF BUSINESS

SEC. 75. A sale, lease, exchange, mortgage, pledge, or other disposition of all, or substantially all, the property and assets, with or without the good will, of a corporation, may be made upon such terms and conditions and for such consideration, which may consist, in whole in or in part, of money or property, real or personal, including shares of any other corporation, whether or not such corporation be organized under the provisions of this act, as may be authorized in the following manner:

(a) The board of directors shall adopt a resolution recommending such sale, lease, exchange, mortgage, pledge, or other disposition and directing the submission thereof to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice stating that the purpose, or one of the purposes, of such meeting is to consider the sale, lease, exchange, mortgage, pledge, or other disposition of all, or substantially all, the property and assets of the corporation shall be given to each shareholder of record entitled to vote within the time and in the manner provided by this act for the giving of notice of meetings of shareholders.

(c) At such meetings the shareholders may authorize such sale, lease, exchange, mortgage, pledge, or other disposition and fix, or may authorize the board of directors to fix, any or all of the terms and conditions thereof and the consideration to be received by the corporation therefor. Such authorization shall require the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote, unless there are two or more classes of stock issued, in which event such authorization shall require the affirmative vote of the holders of at least two-thirds of the outstanding shares of each such class of shares issued.

(d) After such authorization by a vote of shareholders, the board of directors nevertheless, in its discretion, may abandon such sale, lease, exchange, mortgage, pledge, or other disposition of assets, subject to the rights of third parties under any contracts relating thereto, without further action or approval by shareholders.

RIGHTS OF DISSENTING SHAREHOLDERS

SEC. 76. (a) If a shareholder shall file with the corporation, prior to or at the meeting of shareholders at which a sale or exchange of all or substantially all of the property and assets of a corporation, is submitted to a vote, a written objection to such sale or exchange, and shall not vote in favor thereof, and such shareholder, within 20 days after the vote was taken, shall make written demand on the corporation for the payment to him of the fair value of his shares as of the day prior to the date on which the vote was taken, the corporation shall pay to such shareholder, upon surrender of his certificate or certificates representing said shares, such fair value thereof. Such demand shall state the number and class of the shares owned by such dissenting shareholder. Any shareholder failing to make demand within the 20-day period shall be bound by the terms of the sale or exchange.

(b) If, within 30 days after the date on which such vote was taken, the value of such shares is agreed upon between the dissenting shareholder and the corporation, the corporation shall make payment of the agreed value within 90 days after the date on which the vote was taken authorizing the sale or exchange, upon the surrender of his certificate or certificates representing said shares. Upon payment of the agreed value, the dissenting shareholder shall cease to have any interest in such shares or in the corporation.

(c) If within such period of 30 days the shareholder and the corporation do not so agree, then the dissenting shareholder may, within 60 days after the expiration of the 30-day period, file a petition in any court of competent jurisdiction within the District of Columbia, asking for a finding and determination of the fair value of such shares, and shall be entitled to judgment against the corporation for the amount of such fair value as of the day prior to the date on which such vote was taken, together with interest thereon at the rate of 5 percent per annum to the date of such judgment. The judgment shall be payable only upon and simultaneously with the surrender to the corporation of the certificate or certificates representing said shares. Upon the payment of the judgment, the dissenting shareholder shall cease to have any interest in such shares or in the corporation. Unless the dissenting shareholder shall file such petition within the time herein limited, such shareholder and all persons claiming under him shall be bound by the terms of the sale or exchange.

VOLUNTARY DISSOLUTION OF CORPORATION BY ITS INCORPORATORS

SEC. 77. A corporation which has not commenced business and which has not issued any shares may be voluntarily dissolved by its incorporators at any time within 1 year from the date of the issuance of its certificate of incorporation in the following manner:

(a) Articles of dissolution shall be executed in duplicate by a majority of the incorporators, and verified by them, and shall set forth—

(1) the name of the corporation;

(2) the date of issuance of its certificate of incorporation;

(3) that none of its shares have been issued;

(4) that the corporation has not commenced business;

(5) that the amount, if any, actually paid in on subscriptions to its shares, less any part thereof disbursed for necessary expenses, has been returned to those entitled thereto;

(6) that no debts of the corporation remain unpaid;

(7) that all the incorporators elect that the corporation be dissolved.

(b) Duplicate originals of the articles of dissolution shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that the articles of dissolution conform to law, he shall, when all franchise taxes, fees, and charges have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of dissolution to which he shall affix the other duplicate original which shall be recorded in the Office of the Recorder of Deeds.

(c) Upon the issuance of such certificate of dissolution, the existence of the corporation shall cease.

DISSOLUTION BY CONSENT OF SHAREHOLDERS

SEC. 78. A corporation may be dissolved by the written consent of the holders of record of all of its outstanding shares in the following manner:

Upon the execution of such written consent by all of the shareholders of record, a statement of intent to dissolve shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, which shall set forth and contain—

(a) The name of the corporation.

(b) The names and respective addresses, including street and number, if any, of its officers.

(c) The names and respective addresses, including street and number, if any, of its directors.

(d) A copy of the agreement signed by all shareholders of record of the corporation consenting to its dissolution.

(e) A statement that such agreement has been signed by all shareholders of record of the corporation or signed in their names by their attorneys thereunto duly authorized.

DISSOLUTION BY ACT OF CORPORATION

SEC. 78. A corporation may be dissolved by the act of the corporation in the following manner:

(a) The board of directors shall adopt a resolution recommending that the corporation be dissolved, and directing that the question of such dissolution be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice stating that the purpose, or one of the purposes, of such meeting is to consider the advisability of dissolving the corporation, shall be given to each shareholder of record entitled to vote within the time and in the manner provided in this act for the giving of notice of meetings of shareholders.

(c) At such meeting a vote of the shareholders entitled to vote shall be taken on a resolution to dissolve the corporation, which shall require for its adoption the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote.

(d) Upon the adoption of such resolution, a statement of intent to dissolve shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, which shall set forth—

(1) the name of the corporation;

(2) the names and respective addresses, including street and number, if any, of its officers;

(3) the names and respective addresses, including street and number, if any, of its directors;

(4) a copy of the resolution of the shareholders authorizing the dissolution of the corporation;

(5) the number of shares outstanding and entitled to vote;

(6) the number of shares voted for and against the dissolution of the corporation.

FILING OF STATEMENT OF INTENT TO DISSOLVE

SEC. 80. Duplicate originals of the statement of intent to dissolve, whether by consent of shareholders or by act of the corporation, shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall, when all franchise taxes, fees, and charges have been paid as in this act prescribed—

(a) Endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof.

(b) File one of such duplicate originals in his office.

(c) The other duplicate original shall be recorded in the office of the Recorder of Deeds.

EFFECT OF STATEMENT OF INTENT TO DISSOLVE

SEC. 81. Upon the filing by the Commissioner of Corporations of a statement of intent to dissolve, whether by consent of shareholders or by act of the corporation, the corporation shall cease to carry on its business, except insofar as may be necessary for the proper winding up thereof.

PROCEEDINGS AFTER FILING OF STATEMENT OF INTENT TO DISSOLVE

SEC. 82. After the filing by the Commissioner of Corporations of a statement of intent to dissolve—

(a) The corporation shall proceed to collect its assets, convey and dispose of such of its properties as are not to be distributed in kind to its shareholders, pay, satisfy, and discharge its liabilities and obligations, and do all other acts required to liquidate its business and affairs, and, after paying or adequately providing for the payment of all its obligations, distribute the remainder of its assets, either in cash or in kind, among its shareholders according to their respective rights and interests.

(b) The corporation, at any time during the liquidation of its business and affairs, may make application to the United States District Court for the District of Columbia to have the liquidation continued under the supervision of the court as provided in this act.

REVOCATION BY CONSENT OF SHAREHOLDERS OF VOLUNTARY DISSOLUTION PROCEEDINGS

SEC. 83. By the written consent of the holders of record of all of its outstanding shares, a corporation may, at any time prior to the issuance of a certificate of dissolution by the Commissioner of Corporations as hereinafter provided, revoke voluntary dissolution proceedings theretofore taken, in the following manner:

Upon the execution of such written consent by all the shareholders of record, a statement of revocation of voluntary dissolution proceedings shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, which shall set forth and contain—

(a) The name of the corporation.

(b) The names and respective addresses, including street and number, if any, of its offices.

(c) The names and respective addresses, including street and number, if any, of its directors.

(d) A copy of the agreement signed by all shareholders of record of the corporation revoking such voluntary dissolution proceedings.

(e) That such agreement is signed by all shareholders of record of the corporation or signed in their names by their attorneys thereunto duly authorized.

REVOCATION BY ACT OF CORPORATION OF VOLUNTARY DISSOLUTION PROCEEDINGS

SEC. 84. By the act of the corporation, a corporation may, at any time prior to the issuance of a certificate of dissolution by the Commissioner of Corporations as hereinafter provided, revoke voluntary dissolution proceedings theretofore taken in the following manner:

(a) The board of directors shall adopt a resolution recommending that the voluntary dissolution proceedings be revoked and directing that the question of such revocation be submitted to a vote at a meeting of shareholders.

(b) Written or printed notice stating that the purpose, or one of the purposes, of such meeting is to consider the advisability of revoking the voluntary dissolution proceedings, shall be given to each shareholder of record entitled to vote within the time and in the manner provided in this act for the giving of notice of meetings of shareholders.

(c) At such meeting a vote of the shareholders entitled to vote shall be taken on a resolution revoking the voluntary dissolution proceedings, which shall require for its adoption the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote.

(d) Upon the adoption of such resolution, a statement of revocation of voluntary dissolution proceedings shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, which shall set forth—

(1) the name of the corporation;

(2) the names and respective addresses, including street and number, if any, of its officers;

(3) the names and respective addresses, including street and number, if any, of its directors;

(4) a copy of the resolution of the shareholders revoking the voluntary dissolution proceedings;

(5) the number of shares outstanding and entitled to vote;

(6) the number of shares voted for and against the revocation of the voluntary dissolution proceedings, respectively.

FILING OF STATEMENT OF REVOCATION OF VOLUNTARY DISSOLUTION PROCEEDINGS

SEC. 85. Duplicate originals of the statement of revocation of voluntary dissolution proceedings, whether by consent of shareholders or by act of the corporation, shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall, when all fees have been paid as in this act prescribed—

(a) Endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof.

(b) File one of such duplicate originals in his office.

(c) The other duplicate original shall be recorded in the Office of the Recorder of Deeds.

EFFECT OF STATEMENT OF REVOCATION OF VOLUNTARY DISSOLUTION PROCEEDINGS

SEC. 86. Upon the filing by the Commissioner of Corporations of a statement of revocation of voluntary dissolution proceedings, whether by consent of shareholders or by act of the corporation, the revocation of the voluntary dissolution proceedings shall become effective and the corporation may thereupon again carry on its business.

ARTICLES OF DISSOLUTION

SEC. 87. When all debts, liabilities, and obligations of the corporation have been paid and discharged, or adequate provision has been made therefor, and all of the remaining property and assets of the corporation have been distributed to its shareholders, articles of dissolution shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary which shall set forth—

(a) The name of the corporation.

(b) That the corporation has theretofore filed with the Commissioner of Corporations a statement of intent to dissolve, and the date on which such statement was filed.

(c) That all debts, obligations, and liabilities of the corporation have been paid and discharged or that adequate provision has been made therefor.

(d) That all the remaining property and assets of the corporation have been distributed among its shareholders in accordance with their respective rights and interests.

(e) That there are no suits pending against the corporation in any court, or that adequate provision has been made for the satisfaction of any judgment, order, or decree which may be entered against it in any pending suit.

FILING OF ARTICLES OF DISSOLUTION

SEC. 88. (a) Duplicate originals of such articles of dissolution shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such articles of dissolution conform to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each such duplicate original the word "Filed", and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of dissolution, to which he shall affix the other duplicate original.

(b) He shall return the certificate of dissolution, with a duplicate original of the articles of dissolution thereto affixed, which shall be filed for record in the office of the Recorder of Deeds. Upon the issuance of such certificate of dissolution the existence of the corporation shall cease, except for the purpose of suits, other proceedings, and appropriate corporate action by shareholders, directors, and officers as provided in this act.

INVOLUNTARY DISSOLUTION

SEC. 89. A corporation may be dissolved involuntarily by a decree of a court of equity in an action instituted by the Commissioner of Corporations in the name of the District of Columbia, when it is made to appear to the court that—

(a) The franchise of the corporation was procured through fraud; or

(b) The corporation has continued to exceed or abuse the authority conferred upon it by this act; or

(c) The corporation has failed for 30 days to appoint and maintain a registered agent as provided in this act; or

(d) The corporation has failed for 30 days after change of its registered office or registered agent to file in the office of the Commissioner of Corporations a statement of such change.

VENUE AND PROCESS

SEC. 90. Every action for the involuntary dissolution of a corporation on the grounds hereinbefore provided shall be commenced by the Commissioner of Corporations in the United States District Court for the District of Columbia. Summons shall issue and shall be served as in other civil actions. In case a return is made thereon that no officer or agent of such corporation can be found within the territorial limits of the District of Columbia, then the Commissioner of Corporations shall cause publication to be made in some newspaper of general circulation published in the District of Columbia containing a notice of the pendency of such action, the title of the court, the names of the parties thereto, and the date on or after which default may be entered. The Commissioner of Corporations shall cause a copy of such notice to be mailed by registered mail to the corporation at its registered office within 10 days after the first publication thereof. The certificate of the Commissioner of Corporations of the mailing of such notice shall be prima facie evidence thereof. Such notice shall be published at least once each week for three successive weeks, and the first publication thereof may begin at any time after the summons has been returned. Unless a corporation shall have been served with summons, no default shall be taken against it earlier than 30 days after the first publication of such notice. The cost of publication of such notice shall be paid by the Commissioner of Corporations, unless the decree is against the corporation and such cost is collected from it.

JURISDICTION OF COURT TO LIQUIDATE ASSETS AND BUSINESS OF CORPORATION

SEC. 91. (a) The United States District Court for the District of Columbia shall have full power to liquidate the assets and business of a corporation—

(1) upon application by a corporation which has filed a statement of intent to dissolve, as provided in this act, to have its liquidation continued under the supervision of the court;

(2) when an action has been commenced by the Commissioner of Corporations to dissolve a corporation and it is made to appear that liquidation of its business and affairs should precede the entry of a decree of dissolution.

(b) Proceedings under this section shall be brought in the United States District Court for the District of Columbia.

(c) It shall not be necessary to make shareholders parties to any such action or proceeding unless relief is sought against them personally.

PROCEDURE IN LIQUIDATION OF CORPORATION BY COURT

SEC. 92. (a) In proceedings to liquidate the assets and business of a corporation the court shall have power to issue injunctions, to appoint a receiver or receivers pendente lite with such powers and duties as the court, from time to time, may direct, and to take such other proceedings as may be requisite to preserve the corporate assets wherever situated, and carry on the busines of the corporation until a full hearing can be had.

(b) After a hearing had upon such notice as the court may direct to be given to all parties to the proceedings and to any other parties in interest designated by the court, the court may appoint a liquidating receiver or receivers with authority to collect the assets of the corporation, including all amounts owing to the corporation by shareholders on account of any unpaid portion of the consideration for the issuance of shares. Such liquidating receiver or receivers shall have authority, subject to the order of the court, to sell, convey, and dispose of all or any part of the assets of the corporation wherever situated, either at public or private sale. The assets of the corporation or the proceeds resulting from a sale, conveyance, or other disposition thereof shall be applied to the expenses of such liquidation and to the payment of the liabilities and obligations of the corporation, and any remaining assets or proceeds shall be distributed among its shareholders according to their respective rights and interests. The order appointing such liquidating receiver or receivers shall state their powers and duties. Such powers and duties may be increased or diminished at any time during the proceedings.

(c) A receiver of a corporation appointed under the provisions of this section shall have authority to sue and defend in all courts in his own name as receiver of such corporation. The court appointing such receiver shall, for the purposes of this act, have exclusive jurisdiction of the corporation and its property, wherever situated.

QUALIFICATIONS OF RECEIVERS

SEC. 93. A receiver shall in all cases give such bond as the court may direct with such sureties as the court may require.

FILING OF CLAIMS IN LIQUIDATION PROCEEDINGS

SEC. 94. In proceedings to liquidate the assets and business of a corporation the court may require all creditors of the corporation to file with the clerk of the court or with the receiver, in such form as the court may prescribe, proofs under oath of their respective claims. If the court requires the filing of claims it shall fix a date, which shall be not less than 4 months from the date of the order, as the last day for the filing of claims, and shall prescribe the notice that shall be given to creditors and claimants of the date so fixed. Prior to the date so fixed, the court may extend the time for the filing of claims. Creditors and claimants failing to file proofs of claim on or before the date so fixed may be barred, by order of court, from participating in the distribution of the assets of the corporation.

DISCONTINUANCE OF LIQUIDATION PROCEEDINGS

SEC. 95. The liquidation of the assets and business of a corporation may be discontinued at any time during the liquidation proceedings when it is made to appear to the court that cause for liquidation no longer exists. In such event the court shall dismiss the proceedings and direct the receiver to redeliver to the corporation all its remaining property and assets.

DECREE OF INVOLUNTARY DISSOLUTION

SEC. 96. In proceedings to liquidate the assets and business of a corporation, when the costs and expenses of such proceedings and all debts, obligations, and liabilities of the corporation shall have been paid and discharged and all of its remaining property and assets distributed to its shareholders, or in case its property and assets are not sufficient to satisfy and discharge such costs, expenses, debts, and obligations, all the property and assets have been applied so far as they will go to their payment, the court shall enter a decree dissolving the corporation, whereupon the existence of the corporation shall cease.

FILING OF DECREE OF DISSOLUTION

SEC. 97. In case the court shall enter a decree dissolving a corporation it shall be the duty of the clerk of such court to cause a certified copy of the decree to be filed with the Commissioner of Corporations. No fee shall be charged by the Commissioner of Corporations for the filing thereof.

DEPOSIT WITH THE COLLECTOR OF TAXES OF THE DISTRICT OF COLUMBIA OF AMOUNT DUE CERTAIN SHAREHOLDERS

SEC. 98. (a) Upon the voluntary or involuntary dissolution of a corporation the portion of the assets distributable to a creditor or shareholder who is unknown or cannot be found, or who is under disability and there is no person legally competent to receive such distributive portion, shall be reduced to cash and deposited with the Collector of Taxes of the District of Columbia and shall be paid over to such creditor or shareholder or to his legal representative, by the Collector of Taxes, upon order of the Commissioner of Corporations and upon proof satisfactory to the Commissioner of Corporations of his right thereto.

(b) If such distributive portion be not deposited with the Collector of Taxes of the District of Columbia as herein provided, the directors of the corporation or the receiver, as the case may be, having control of the distribution of the assets thereof shall be jointly and severally liable to such shareholder for the amount of such distributive portion not so deposited.

SURVIVAL OF REMEDY AFTER DISSOLUTION

SEC. 99. The dissolution of a corporation either (1) by the issuance of a certificate of dissolution by the Commissioner of Corporations, or (2) by proclamation of the Commissioner of Corporations for failure to pay franchise taxes or file annual reports as provided in this act, or (3) by expiration of its period of duration, shall not take away or impair any remedy available to or against such corporation, its directors, or shareholders, or any right or claim existing, or any liability incurred, prior to such dissolution if suit or other proceeding thereon is commenced within 2 years after the date of such dissolution. Any suit or proceeding by or against the corporation may be prosecuted or defended by the corporation in its corporate name. The shareholders, directors, and officers shall have power to take such corporate or other action as shall be appropriate to protect such remedy, right, or claim. If such corporation was dissolved by the expiration of its period of duration, such corporation may amend its articles of incorporation at any time during such period of 2 years so as to extend its period of duration.

ANNUAL REPORT OF DOMESTIC CORPORATION

SEC. 100. (a) Each corporation shall file with the Commissioner of Corporations, on or before April 15 of each year, an annual report setting forth—

(1) the name of the corporation, the address, including street and number, if any, of its registered office in the District of Columbia, and the name of its registered agent at such address;

(2) the names and respective addresses, including street and number, if any, of its directors and officers;

(3) a brief statement of the character of the business in which the corporation is actually engaged;

(4) a statement of the aggregate number of shares which the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class;

(5) a statement of the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

(b) Such annual report shall be made on forms prescribed and furnished by the Commissioner of Corporations, and the information therein contained shall be given as of the date of the execution of the report.

(c) It shall be executed by the corporation by its president, a vice president, secretary, assistant secretary, or treasurer, and verified by the officer executing the report, and the corporate seal shall be thereto affixed.

ADMISSION OF FOREIGN CORPORATION

SEC. 101. A foreign corporation shall procure a certificate of authority from the Commissioner of Corporations before it transacts business in the District, but no foreign corporation shall be entitled to procure a certificate of authority under this act to transact in the District the business of banking, insurance, assurance, benefit, indemnity, building and loan association, or the acceptance of savings deposits, such corporations being admitted to and shall do business in the District of Columbia pursuant to the laws relating to such business. A foreign corporation shall not be denied a certificate of authority by reason of the fact that the laws of the State under which such corporation is organized governing its organization and internal affairs differ from the laws of the District, and nothing in this act contained shall be construed to authorize the District to regulate the organization or the internal affairs of such corporation.

POWERS OF FOREIGN CORPORATION

SEC. 102. No Foreign corporations subject to the provisions of this act shall transact in the District any business for the conduct of which a domestic corporation may not be organized or which is prohibited to a domestic corporation. A foreign corporation which shall have received a certificate of authority under this act shall, until a certificate of revocation or of withdrawal shall have been issued as provided in this act, enjoy the same rights and privileges as, but no greater rights and privileges than, a domestic corporation organized for the purposes set forth in the application pursuant to which such certificate of authority is issued; and, except as in this act otherwise provided, shall be subject to the same duties, restrictions, penalties, and liabilities now or hereafter imposed upon a domestic corporation of like character.

CORPORATE NAME OF FOREIGN CORPORATIONS

SEC. 103. No certificate of authority shall be issued to a foreign corporation—

(a) Which has a name the same as, or deceptively similar to, the name of any domestic corporation or any foreign corporation authorized to transact business in the District; or a name the exclusive right to which is, at the time, reserved in the manner provided in this act.

(b) The name of which does not contain the word "corporation," "company," "incorporated," or "limited," or end with an abbreviation of one of said words, unless such corporation, for use in the District, adds at the end of its name one of such words or an abbreviation thereof.

CHANGE OF NAME BY FOREIGN CORPORATION

SEC. 104. Whenever a foreign corporation which is admitted to transact business in the District shall change its name to one under which a certificate of authority to transact business in the District would not be granted to it on application therefor, the authority of such corporation to transact business in the District shall be suspended and it shall not thereafter transact any business in the District until it has changed its name to a name which is available to it under the laws of the District.

APPLICATION FOR CERTIFICATE OF AUTHORITY

SEC. 105. A foreign corporation may procure a certificate of authority to transact business in the District by making application therefor to the Commissioner of Corporations, which application shall set forth—

(a) The name of the corporation and the State under the laws of which it is organized.

(b) If the name of the corporation does not contain one of the words "corporation," "company," "incorporated," "limited," or does not end with an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in the District.

(c) The date of its incorporation and the period of its duration.

(d) The address, including street and number, if any, of its principal office in the State under the laws of which it is organized.

(e) The address, including street and number, if any, of its proposed registered office in the District, and the name of its proposed registered agent in the District at such address.

(f) The name or names of the State or States, if any, in which it is admitted or qualified to transact business.

(g) The purpose or purposes for which it was organized and which it proposes to pursue in the transaction of business in the District.

(h) The names and respective addresses, including street and number, if any, of its directors and officers.

(i) A statement of the aggregate number of shares which it has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

(j) A statement of the aggregate number of its issued shares itemized by classes, par value of shares, shares without par value, and series, if any within a class.

(k) A statement of the amount of stated capital and the amount of capital surplus of the corporation, as defined in this act.

(l) Such additional information as may be necessary or appropriate in order to enable the Commissioner of Corporations to determine whether such corporation is entitled to a certificate of authority to transact business in the District. Such application shall be made on forms prescribed and furnished by the Commissioner of Corporations and shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary.

FILING OF DOCUMENTS ON APPLICATION FOR CERTIFICATE OF AUTHORITY

SEC. 106. (a) There shall be delivered to the Commissioner of Corporations (1) duplicate originals of the application of the corporation for a certificate of authority, and (2) a copy of its articles of incorporation and all amendments thereto, duly certified by the proper officer of the State wherein it is incorporated.

(b) If according to law, a certificate of authority to transact business in the District should be issued to such corporation, the Commissioner of Corporations shall, when all fees and charges have been paid as in this act prescribed—

(1) Endorse on each of such documents the word "Filed," and the month, day, and year of the filing thereof;

(2) File in his office one of such duplicate originals of the application and the copy of the articles of incorporation and amendments thereto;

(3) Issue a certificate of authority to transact business in the District, to which he shall affix the other duplicate original application.

(c) The certificate of authority with the duplicate original of the application affixed thereto by the Commissioner of Corporations shall be returned to the corporation or its representative.

EFFECT OF CERTIFICATE OF AUTHORITY

SEC. 107. Upon the issuance of a certificate of authority by the Commissioner of Corporations, the corporation shall have the right to transact business in the District for those purposes set forth in its application, subject, however, to the right of the District to suspend or to revoke such right to transact business in the District as provided in this act.

REGISTERED OFFICE AND REGISTERED AGENT OF FOREIGN CORPORATION

SEC. 108. (a) Each foreign corporation authorized to transact business in the District shall have and continuously maintain in the District—

(1) a registered office which may be, but need not be, the same as its place of business in the District;

(2) a registered agent, which agent may be either an individual, resident in the District, whose business office is identical with such registered office, or a corporation authorized by its articles of incorporation to act as such agent and authorized to transact business in the District having a business office identical with such registered office.

(b) The address, including street and number, if any, of the initial registered office, and the name of the initial registered agent of each foreign corporation shall be as stated in its application for a certificate of authority to transact business in the District.

CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT OF FOREIGN CORPORATION

SEC. 109. (a) A foreign corporation may from time to time change the address of its registered office. A foreign corporation shall change its registered agent if the office of registered agent shall become vacant for any reason, or if its registered agent becomes disqualified or incapacitated to act, or if it revokes the appointment of its registered agent.

(b) A foreign corporation may change the address of its registered office or change its registered agent, or both, by filing in the office of the Commissioner of Corporations a statement setting forth—

(1) the name of the corporation;

(2) the address, including street and number, if any, of its then registered office;

(3) if the address of its registered office be changed, the address, including street and number, if any, to which the registered office is to be changed;

(4) the name of its then registered agent;

(5) if its registered agent be changed, the name of its successor registered agent;

(6) that the address of its registered office and the address of the business office of its registered agent, as changed, will be identical;

(7) that such change was authorized by resolution duly adopted by the board of directors or was authorized by an officer of the corporation duly empowered to make such change.

(c) Such statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement

conforms to the provisions of this act, he shall—

(1) endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) return the other duplicate original to the corporation or its representative.

(d) The change of address of the registered office, or the change of registered agent, or both, as the case may be, shall become effective upon the filing of such statement by the Commissioner of Corporations.

SERVICE OF PROCESS ON FOREIGN CORPORATION

SEC. 110. (a) Service of process in any suit, action, or proceeding, or service of any notice or demand required or permitted by law to be served on a foreign corporation, may be made on such corporation by service thereof on the registered agent of such corporation. Service of any such process, notice, or demand upon a corporate agent, as such agent, may be had by delivering a copy of such process, notice, or demand to the president, vice president, the secretary, or an assistant secretary of such corporate agent. During any period within which a foreign corporation authorized to transact business in the District shall fail to appoint or maintain in the District a registered agent, or whenever any such registered agent cannot with reasonable diligence be found at the registered office in the District of such corporation, or whenever the certificate of authority of any foreign corporation shall be revoked, then and in every such case the Commissioner of Corporations shall be an agent and representative of such foreign corporation upon whom any process, notice, or demand may be served. Service on the Commissioner of Corporations of any such foreign corporation shall be made by delivering to and leaving with him, or with any clerk having charge of the corporation department of his office, duplicate copies of such process, notice, or demand. In the event any process, notice, or demand is served on the Commissioner of Corporations, he shall immediately cause one of such copies to be forwarded by registered mail, addressed to such corporation at its principal office as the same appears in the records of the Commissioner of Corporations. Any services so had on the Commissioner of Corporations shall be returnable in not less than 30 days: *Provided, however,* That, if a period of less than or greater than 30 days is prescribed by law or by rules of a court in the District or the rules or regulations of any agency of the United States or of the District, such prescribed period shall govern.

(b) Nothing herein contained shall limit or affect the right to serve any process, notice, or demand required or permitted by law to be served upon a foreign corporation in any other manner now or hereafter permitted by law.

(c) The Commissioner of Corporations shall keep a record of all processes, notices, and demands served upon him under this section, and shall record therein the time of such service and his action with reference thereto.

AMENDMENT TO ARTICLES OF INCORPORATION OF FOREIGN CORPORATION

SEC. 111. Whenever the articles of incorporation of a foreign corporation authorized to transact business in the District are amended, such foreign corporation shall forthwith file in the office of the Commissioner of Corporations a copy of such amendment duly certified by the proper officer of the State under the laws of which such corporation is organized; but the filing thereof shall not of itself enlarge or alter the purpose or purposes which such corporation is authorized to pursue in the transaction of business in the District, nor authorize such corporation to transact business in the District under any other name than the name set forth in its certificate of authority.

MERGER OF FOREIGN CORPORATION AUTHORIZED TO TRANSACT BUSINESS IN THE DISTRICT

SEC. 112. Whenever a foreign corporation authorized to transact business in the District shall be a party to a statutory merger permitted by the laws of the State under which it is organized, and such corporation shall be the surviving corporation, it shall forthwith file with the Commissioner of Corporations a copy of the articles of merger duly certified by the proper officer of the State under the laws of which such statutory merger was effected; and it shall not be necessary for such corporation to procure either a new or amended certificate of authority to transact business in the District unless the name of such corporation be changed thereby or unless the corporation desires to pursue in the District other or additional purposes than those which it is then authorized to transact in the District.

AMENDED CERTIFICATE OF AUTHORITY

SEC. 113. (a) A foreign corporation authorized to transact business in the District shall secure an amended certificate of authority in the event it changes its corporate name, or desires to pursue in the District other or additional purposes than those set forth in its prior application for a certificate of authority, by making application therefor to the Commissioner of Corporations.

(b) The requirements in respect to the form and contents of such application, the manner of its execution, the filing of duplicate originals thereof with the Commissioner of Corporations, the issuance of an amended certificate of authority and the effect thereof shall be the same as in the case of an original application for a certificate of authority.

ANNUAL REPORT OF FOREIGN CORPORATIONS

SEC. 114. Each foreign corporation authorized to transact business in the District shall file on or before April 15 of each year with the Commissioner of Corporations an annual report setting forth—

(a) The name of the corporation and the State under the laws of which it is organized.

(b) If the name of the corporation does not contain one of the words "corporation," "company," "incorporated," or "limited," or does not end with an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it has elected to add thereto for use in the District.

(c) The date of its incorporation and the period of its duration.

(d) The address, including street and number, if any, of its principal office in the State under the laws of which it is organized.

(e) The address, including street and number, if any, of its registered office in the District, and the name of its registered agent at such address.

(f) The name or names of the State or States other than the District, if any, in which it is admitted or qualified to transact business.

(g) A brief statement of the character of the business in which it is actually engaged in the District.

(h) The names and respective addresses, including street and number, if any, of its directors and officers.

(i) A statement of the aggregate number of shares which the corporation has authority to issue, and the aggregate number of its issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

Such annual report shall be made on forms prescribed and furnished by the Commissioner of Corporations and the information therein contained shall be given as of the date of the execution of the report. It shall be executed by the corporation by its president, vice president, secretary, assistant secretary, or treasurer, and, verified by the officer making the report, and the corporate seal shall be thereto affixed.

WITHDRAWAL OF FOREIGN CORPORATION

SEC. 115. (a) A foreign corporation authorized to transact business in the District may withdraw from the District upon procuring from the Commissioner of Corporations a certificate of withdrawal. In order to procure such certificate of withdrawal, such foreign corporation shall file with the Commissioner of Corporations an application for withdrawal.

(b) the application for withdrawal shall set forth—

(1) the name of the corporation and the State under the laws of which it is organized;

(2) that it is not transacting business in the District;

(3) that it surrenders its authority to transact business in the District;

(4) that it revokes the authority of its registered agent in the District to accept service of process and consents that service of process in any suit, action, or proceeding based upon any cause of action arising in the District during the time it was authorized to transact business in the District may thereafter be made on such corporation by service thereof on the Commissioner of Corporations;

(5) a post-office address to which the Commissioner of Corporations may mail a copy of any process against the corporation that may be served on him;

(6) such information as may be necessary or appropriate in order to enable the Commissioner of Corporations to determine and assess any unpaid fees payable by such foreign corporation as in this act prescribed.

(c) The application for withdrawal shall be made on forms prescribed and furnished by the Commissioner or Corporations and shall be executed by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, or, if the corporation is in the hands of a receiver or trustee, the same shall be executed on behalf of the corporation by such receiver or trustee and verified by him.

FILING OF APPLICATION FOR WITHDRAWAL

SEC. 116. (a) Duplicate originals of such application for withdrawal shall be delivered to the Commissioner of Corporations. Upon receipt thereof he shall examine the same, and, if he finds that it conforms to the provisions of this act, he shall, when all fees and charges have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word filed, and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of withdrawal to which he shall affix the other duplicate original.

(b) The Commissioner of Corporations shall return such certificate of withdrawal with a duplicate original of the application for withdrawal thereto affixed to the corporation or its representative. Upon the issuance of such certificate of withdrawal, the authority of the corporation to transact business in the District shall cease.

REVOCATION OF CERTIFICATE OF AUTHORITY

SEC. 117. The certificate of authority of a foreign corporation to transact business in the District may be revoked by the Commissioner of Corporations when he finds that—

(a) The certificate of authority of the corporation was procured through fraud practiced upon the District; or

(b) The corporation has continued to exceed or abuse the authority conferred upon it by this act; or

(c) The corporation has failed for a period of 90 days to pay any fees, charges, or penalties prescribed by this act; or

(d) The corporation has failed for 90 days to appoint and maintain a registered agent in the District; or

(e) The corporation has failed for 30 days after change of its registered office or registered agent to file in the office of the Commissioner of Corporations a statement of such change; or

(f) The corporation has failed to file its annual report as required by this act; or

(g) The corporation for a period of 2 years has not transacted any business in the District; or

(h) The corporation has failed to file in the office of the Commissioner of Corporations a duly authenticated copy of each amendment to its articles of incorporation within 30 days after such amendment becomes effective; or

(i) A misrepresentation has been made of any material matter in any application, report, affidavit, or other document submitted by such corporation pursuant to this act, in which event the Commissioner of Corporations shall give not less than 30 days' notice forwarded by registered mail, addressed to such corporation at its principal office as the same appears in the records of the Commissioner of Corporations or at its registered office in the District, of his intent to revoke the certificate of authority.

ISSUANCE OF CERTIFICATE OF REVOCATION

SEC. 118. (a) Upon revoking any such certificate of authority, the Commissioner of Corporations shall—

(1) issue a certificate of revocation in duplicate;

(2) file one of such certificates in his office;

(3) mail to such corporation at its registered office in the District a notice of such revocation accompanied by one of such certificates.

(b) Upon the issuance of such certificate of revocation, the authority of the corporation to transact business in the District shall cease.

EFFECT OF REVOCATION OR WITHDRAWAL UPON ACTIONS AND CONTRACTS

SEC. 119. The revocation of certificate of authority or the voluntary withdrawal of a foreign corporation whereby its authority to do business in the District shall cease and be determined, shall not affect any action then pending, nor affect any right of action upon any contract made by the corporation in the District before such revocation or withdrawal, and, in any action upon any liability or obligation so incurred before the revocation or withdrawal, the process against the corporation may be served, after the filing thereof, upon the Commissioner of Corporations.

APPLICATION TO FOREIGN CORPORATIONS TRANSACTING BUSINESS ON THE EFFECTIVE DATE OF THIS ACT

SEC. 120. Foreign corporations transacting business in the District at the time this act takes effect for a purpose or purposes for which a certificate of authority is required under the provisions of this act shall, within 6 months after the effective date of this act, procure a certificate of authority and shall otherwise comply with all applicable provisions of this act. Failure to secure a certificate of authority within the time provided in this section shall subject the corporation to all the penalties, liabilities, and restrictions provided in this act for transacting business without a certificate of authority.

TRANSACTING BUSINESS WITHOUT CERTIFICATE OF AUTHORITY

SEC. 121. (a) No foreign corporation which is subject to the provisions of this act and which transacts business in the District without a certificate of authority shall be permitted to maintain an action at law or in equity in any court of the District until such corporation shall have obtained a certificate of authority. Nor shall an action at law or in equity be maintained in any court of the District by any successor or assignee of such corporation on any right, claim, or demand arising out of the transaction of business by such corporation in the District until a certificate of authority shall have been obtained by such corporation or by a corporation which has acquired all or substantially all of its assets.

(b) The failure of a foreign corporation to obtain a certificate of authority to transact business in the District shall not impair the validity of any contract or act of such corporation, and shall not prevent such corporation from defending any action at law or suit in equity in any court of the District.

(c) A foreign corporation which transacts business in the District without a certificate of authority shall be liable to the District, for the years or parts thereof during which it transacted business in the District without a certificate of authority, in an amount equal to all fees and other charges which would have been imposed by this act upon such corporation had it duly applied for and received a certificate of authority to transact business in the District as required by this act and thereafter filed all reports required by this act; and in addition thereto it shall be liable for a penalty of not in excess of $500. The Commissioner of Corporations shall bring proceedings to recover all amounts due the District under the provisions of this section. Such charges and penalties shall be paid to the District before any certificate of authority is issued to such foreign corporation.

COMMISSIONER OF CORPORATIONS; DUTIES AND FUNCTIONS

SEC. 122. (a) The Commissioners of the District of Columbia shall appoint a Commissioner of Corporations to hold office at their pleasure, who shall have been an actual resident of the District of Columbia during the 5 years next preceding his appointment, and who shall take and subscribe an oath of office to be filed with said Commissioners, and shall give bond for the faithful performance of his official duties in such amount, so conditioned, and with such sureties as the Commissioner may prescribe.

(b) Subject to the approval of the Commissioners of the District of Columbia, the Commissioner of Corporations shall have a seal of office, and shall make and publish regulations and forms and incur expenses, employ necessary assistants, and make annual report to such Commissioners, for the purposes of execution of the provisions of this act; the compensation of the Commissioner of Corporations and all his employees shall be fixed by the Classification Act of 1923, as amended; the seal of office of the Commissioner of Corporations shall be affixed and appear upon certificates and papers executed by the Commissioner of Corporations pursuant to authority of law, and copies thereof certified and authenticated under such seal of office shall have the same force and effect as originals in evidence in any action or proceeding in the District of Columbia.

(c) In the administration and in the enforcement of this act, and of any liabilities thereunder accruing, all proceedings or court actions shall be in the name of the District of Columbia, and therein the counsel and attorney for the Commissioner of Corporations shall be the Corporation Counsel of the District of Columbia.

(d) There are hereby authorized to be appropriated, payable from the revenues of the District of Columbia, such funds as may be necessary to carry into effect the provisions of this act.

FEES, FRANCHISE AND LICENSE TAXES, AND CHARGES

SEC. 123. (a) The Commissioner of Corporations shall charge and collect in accordance with the provisions of this act—

(1) fees for filing documents and issuing certificates;

(2) license fees;

(3) franchise taxes;

(4) miscellaneous charges.

(b) The Commissioner of Corporations shall charge and collect for—

(1) filing articles of incorporation, $20;

(2) filing amendment to articles of incorporation, $20;

(3) filing articles of merger or consolidations, $20;

(4) filing a statement of intent to dissolve, $5;

(5) filing articles of reincorporation, $20;

(6) filing articles of dissolution, $10;

(7) filing statement of change of address of registered office or change of registered agent, or both, $1;

(8) filing statement of the establishment of a series of shares, $5;

(9) filing an application of a foreign corporation for certificate of authority to transact business in this District and issuing a certificate of authority, $20;

(10) filing an application for reservation of a corporate name or for a renewal of reservation, $5;

(11) filing notice of transfer of a reserved corporate name, $5;

(12) filing an application of a foreign corporation for amended certificate of authority to transact business in this District and issuing an amended certificate of authority, $20;

(13) filing a copy of amendment to the articles of incorporation of a foreign corporation holding a certificate of authority to transact business in this District, $5;

(14) filing a copy of articles of merger of a foreign corporation holding a certificate of authority to transact business in this District, $20;

(15) filing an application for withdrawal of a foreign corporation and issuing a certificate of withdrawal, $5;

(16) filing application of reinstatement of a domestic or foreign corporation and issuing certificate of reinstatement, $50;

(17) filing any other statement or report, except an annual report, of a domestic or foreign corporation, $1.

(c) For required recording, indexing of any writings, or certifying same as true copies, the same fees provided by law for recording or certifying deeds of real estate in the District of Columbia.

(d) The Commissioner of Corporations shall charge and collect as a franchise tax—

(1) from every domestic corporation upon the filing of its articles of incorporation the sum of 2 cents for each authorized share of its capital stock up to and including 10,000 shares, and the sum of 1 cent for each additional authorized share up to and including 50,000 shares, and the sum of one-half cent for each additional authorized share in excess of 50,000 shares: *Provided*, That each $100 unit thereof of authorized capital stock having a par value shall be counted as one taxable share: *And provided further*, That in no case the franchise tax payable shall be less than $10;

(2) from every domestic corporation upon the filing of any amendment of its articles of incorporation effecting an increase of its authorized capital stock, the sum equal to the difference between the franchise tax computed at the foregoing rates on the total of the authorized number of shares, including the proposed increase and the franchise tax so computed on the total of the authorized number of shares excluding said increase: *Provided*, That in no case shall the sum payable be less than $10;

(3) from the corporation thereupon created or existing, upon the filing of an agreement for consolidation or merger, a sum equal to the difference between the franchise tax computed at the foregoing rates upon the total of the authorized number of shares of the corporation created by such consolidation or merger and the franchise tax so computed upon the aggregate amount of the total authorized number of shares of the constituent corporations: *Provided*, That in

no case shall the sum payable be less than $20.

(e) The Commissioner of Corporations shall charge and collect as an annual license fee for doing business in the District of Columbia, from each domestic and each foreign corporation, the sum of $10, which annual license fee shall be due and payable on January 1 of each year.

(f) All taxes, fees, and charges provided for in this act shall be paid to the Collector of Taxes of the District of Columbia and deposited in the Treasury of the United States to the credit of the District.

EFFECT OF FAILURE TO PAY ANNUAL FRANCHISE TAX OR TO FILE ANNUAL REPORT

SEC. 124. If any corporation incorporated or reincorporated under this act, or any foreign corporation having a certificate of authority issued under this act, shall for two consecutive years fail or refuse to pay any franchise tax or taxes payable under this act, or fail or refuse to file any annual report as required by this act for two consecutive years, then, in the case of a domestic corporation, the articles of incorporation shall be void and all powers conferred upon such corporation are declared inoperative, and, in the case of a foreign corporation, the certificate of authority shall be revoked and all powers conferred thereunder shall be inoperative.

PROCLAMATION OF REVOCATION

SEC. 125. (a) On the second Monday in September of each year, the Commissioner of Corporations shall issue a proclamation listing the names of all domestic corporations and all foreign corporations which have failed or refused to pay any franchise tax or taxes or failed or refused to file any annual report as required by this act for two consecutive years next preceding June 30 in the year in which such proclamation is issued and upon the issuance of such proclamation the articles of incorporation or the certificate of authority, as the case may be, shall be void and all powers thereunder inoperative without further proceedings of any kind.

(b) The proclamation of the Commissioner of Corporations shall be filed in his office and shall be published once during the month of September in each of two daily newspapers of general circulation in the District of Columbia. A certified copy of the proclamation shall be transmitted to the Recorder of Deeds and he shall cause notation of the fact of revocation to be made upon the articles of incorporation of each domestic corporation listed in said proclamation.

(c) Upon publication of the proclamation of revocation as provided in this act each domestic corporation listed in such proclamation shall be deemed to have been dissolved without further legal proceedings and each such corporation shall cease to carry on its business and shall proceed to collect its assets, convey and dispose of such of its properties as are not to be distributed in kind to its shareholders, pay, satisfy, and discharge its liabilities and obligations and do all other acts required to liquidate its business and affairs, and, after paying or adequately providing for the payment of all of its obligations, distribute the remainder of its assets, either in cash or in kind, among its shareholders according to their respective rights and interests.

(d) All domestic corporations the articles of incorporation of which are revoked by proclamation or the term of existence of which expires by limitation set forth in its articles of incorporation shall nevertheless be continued for the term of 3 years from the date of such revocation or expiration bodies corporate for the purpose of prosecuting and defending suits by or against them, and of enabling them gradually to collect their assets, convey and dispose of such of their properties as are not to be distributed in kind to their shareholders, pay, satisfy, and discharge their liabilities and obligations and do all other acts required to liquidate their business and affairs, and, after paying or adequately providing for the payment of all its obligations, to distribute the remainder of their assets, either in cash or in kind among their shareholders according to their respective rights and interests, but not for the purpose of continuing the business for which such corporation shall have been organized: *Provided, however*, That with respect to any action, suit, or proceeding begun or commenced by or against a corporation prior to such revocation or expiration and with respect to any action, suit, or proceeding begun or commenced by or against such corporation within 3 years after the date of such revocation or expiration, such corporation shall only for the purpose of such actions, suits, or proceedings so begun or commenced be continued bodies corporate beyond said 3-year period and until any judgments, orders, or decrees therein shall be fully executed.

PENALTY FOR CARRYING ON BUSINESS AFTER ISSUANCE OF PROCLAMATION

SEC. 126. Any corporation, person, or persons who shall exercise or attempt to exercise any powers under articles of incorporation of a domestic corporation or under a certificate of authority of a foreign corporation which has been revoked shall be deemed guilty of a misdemeanor and shall be punished by a fine not exceeding $ or by imprisonment not exceeding , or both, in the discretion of the court.

CORRECTION OF ERROR IN PROCLAMATION

SEC. 127. Whenever it is established to the satisfaction of the Commissioner of Corporations that any corporation named in said proclamation has not failed or refused to pay any franchise tax or file any annual report for two consecutive years, or has been inadvertently included in the list of corporations as so failing or refusing to pay franchise taxes or file reports, the Commissioner of Corporations is authorized to correct such mistake by issuing a proclamation to that effect and restoring the articles of incorporation or certificate of authority, as the case may be, into good standing with like effect as if such proclamation of revocation, as to such corporation, had not been issued.

RESERVATION OF NAME OF PROCLAIMED CORPORATION

SEC. 128. The Commissioner of Corporations shall reserve the names of all corporations the articles of incorporation of which have been revoked and of all foreign corporations the certificates of authority of which have been revoked until December 31 of the year in which the proclamation of revocation was issued and no domestic corporation shall be formed, nor the name of any such domestic corporation changed to a name the same as or deceptively similar to such reserved name nor shall any foreign corporation be authorized to do business under a name the same as or deceptively similar to such reserved name.

REINSTATEMENT OF PROCLAIMED CORPORATIONS

SEC. 129. Upon filing a petition for reinstatement by a proclaimed corporation accompanied by the filing of the delinquent reports, or payment of delinquent franchise tax in full, or both, as the case may be, together with any penalties imposed by this act, and upon payment of the reinstatement fee provided by this act at any time after the date of the issuance of the proclamation, the Commissioner of Corporations, if he finds that all of the documents offered for filing conform to law, shall file them in his office and shall issue his certificate of reinstatement which shall have the effect of annulling the revocation proceedings theretofore taken as to such corporation and such corporation shall have such powers, rights, duties, and obligations as it had at the time of the issuance of the proclamation with the same force and effect as to such corporation as if the proclamation had not been issued.

PENALTY FOR FAILURE TO FILE ANNUAL REPORT ON TIME

SEC. 130. Any corporation organized under this act or any foreign corporation having a certificate of authority under this act which fails or refuses to file the annual report required by this act to be filed on April 15 of each year shall pay a penalty of $25. Such penalty shall be assessed by the Commissioner of Corporations at the time of the assessment of the annual franchise tax.

PENALTY FOR FAILURE TO MAINTAIN REGISTERED OFFICE OR REGISTERED AGENT

SEC. 131. Any corporation incorporated or reincorporated under this act, or any foreign corporation which has been issued a certificate of authority under this act, which fails or refuses to maintain a registered office or a registered agent in the District of Columbia, in accordance with the provisions of this act shall be deemed to be guilty of a misdemeanor and upon conviction thereof by a court of competent jurisdiction shall be fined in an amount not exceeding $500.

EFFECT OF NONPAYMENT OF FEES

SEC. 132. (a) The Commissioner of Corporations shall not file any articles, statements, certificates, reports, applications, notices, or other papers relating to any corporation, domestic or foreign, organized under or subject to the provisions of this act, until all fees and charges provided to be paid in connection therewith shall have been paid to him or while the corporation is in default in the payment of any fees, charges, or penalties herein provided to be paid by or assessed against it.

(b) No corporation required to pay a fee, charge, or penalty under this act shall maintain in the District of Columbia any action at law or suit in equity until all such fees, charges, and penalties have been paid in full.

PENALTIES; VIOLATION OR FAILURE A MISDEMEANOR

SEC. 133. Any person, or corporation, who violates any provision of this act, or fails to comply with any provision thereof, for which violation or failure no penalty is provided therein or elsewhere in the laws of the District of Columbia, shall be deemed guilty of a misdemeanor and upon conviction thereof by a court of competent jurisdiction shall be fined not exceeding $500 for each and every violation or failure.

RIGHTS AND IMMUNITIES OF WITNESSES

SEC. 134. No person shall be excused from testifying or from producing books, accounts, and papers in any proceeding based upon or growing out of any violation of the provisions of this act, on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no person having so testified shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may have testified or produced any documentary evidence: *Provided*, That no person so testifying shall be exempted from prosecution or punishment for perjury: *Provided further*, That the immunity hereby conferred shall extend only to a natural person who, in obedience to a subpena gives testimony under oath or produces evidence, documentary or otherwise, under oath.

MONOPOLIES AND RESTRAINT OF TRADE

SEC. 135. Nothing in this act shall be interpreted to authorize a corporation to do any act in violation of the common law or the statutes relating to the District of Columbia or of the United States with respect to monopolies and illegal restraint of trade.

WAIVER OF NOTICE

SEC. 136. Whenever any notice whatever is required to be given under the provisions of this act or under the provisions of the articles of incorporation or bylaws of any corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

VOTING REQUIREMENTS OF ARTICLES OF INCORPORATION

SEC. 137. Whenever, with respect to any action to be taken by the shareholders of a corporation, the articles of incorporation require the vote or concurrence of the holders of a greater proportion of the shares, or of any class or series thereof, than required by this act with respect to such action, the provisions of the articles of incorporation shall control.

INFORMAL ACTION BY SHAREHOLDERS

SEC. 138. Any action required by this act to be taken at a meeting of the shareholders of a corporation, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof. In the event that the action which is consented to is such as would have required the filing of a certificate under any section of this act, if such action had been voted upon by the shareholders at a meeting thereof, the certificate filed under such section shall state that written consent has been given hereunder, in lieu of stating that the shareholders have voted upon the corporate action in question, if such last-mentioned statement is required thereby.

APPEAL FROM COMMISSIONER OF CORPORATIONS

SEC. 139. (a) If the Commissioner of Corporations shall refuse to issue an order to the Collector of Taxes of the District of Columbia for the payment over of moneys deposited with said Collector of Taxes pursuant to section 98 of this act, the Commissioner of Corporations shall, within 30 days after the presentation of an application therefor in the manner required by this act, give written notice of his reasons for such refusal to the person who presented such application. From such refusal such person may appeal to the United States District Court for the District of Columbia by filing with the clerk of such court a petition setting forth a copy of such application and a copy of the written refusal of the Commissioner of Corporations; whereupon the matter shall be tried de novo by the court and the court shall either sustain the action of the Commissioner of Corporations or direct him to take such action as the court may deem proper.

(b) If the Commissioner of Corporations shall fail to approve any articles of incorporation, amendment, merger, consolidation, or dissolution, or any other document required by this act to be approved by the Commissioner of Corporations before the same shall be filed in his office, he shall, within 10 days after the delivery thereof to him, give written notice of his disapproval to the person or corporation, domestic or foreign, delivering the same, specifiying the reasons therefor. From such disapproval such person or corporation may appeal to the United States District Court for the District of Columbia by filing with the clerk of such court a petition setting forth a copy of the articles or other document sought to be filed and a copy of the written disapproval thereof by the Commissioner of Corporations; whereupon the matter shall be tried de novo by the court, and the court shall either sustain the action of the Commissioner of Corporations or direct him to take such action as the court may deem proper.

(c) If the Commissioner of Corporations shall revoke the certificate of authority to transact business in the District of any foreign corporation, pursuant to the provisions of this act, such foreign corporation may likewise appeal to the United States District Court for the District of Columbia, by filing with the clerk of such court a petition setting forth a copy of its certificate of authority to transact business in the District and a copy of the notice of revocation given by the Commissioner of Corporations; whereupon the matter shall be tried de novo by the court and the court shall either sustain the action of the Commissioner of Corporations or direct him to take such action as the court may deem proper.

(d) Appeals from all final orders and judgments entered by the United States District Court for the District of Columbia under this section in review of any ruling or decision of the Commissioner of Corporations may be taken to the United States Circuit Court of Appeals for the District of Columbia by either party to the proceeding within 60 days after service on such party of a copy of the order or judgment of the United States District Court for the District of Columbia.

CERTIFICATES AND CERTIFIED COPIES OF CERTAIN DOCUMENTS TO BE RECEIVED IN EVIDENCE

SEC. 140. All certificates issued by the Commissioner of Corporations in accordance with the provisions of this act, and all copies of documents filed in his office in accordance with the provisions of this act when certified by him, shall be taken and received in all courts, public offices, and official bodies as prima facie evidence of the facts therein stated. A certificate by the Commissioner of Corporations under the seal of his office, as to the existence or nonexistence of the facts relating to corporations which would not appear from a certified copy of any of the foregoing documents or certificates shall be taken and received in all courts, public offices, and official bodies as prima facie evidence of the existence or nonexistence of the facts therein stated.

UNAUTHORIZED ASSUMPTION OF CORPORATE POWERS

SEC. 141. All persons who assume to act as a corporation without authority so to do shall be jointly and severally liable for all debts and liabilities incurred or arising as a result thereof.

FORMS TO BE FURNISHED BY COMMISSIONER OF CORPORATIONS

SEC. 142. All reports required by this act to be filed in the office of the Commissioner of Corporations shall be made on forms which shall be prescribed and furnished by the Commissioner of Corporations. Forms for all other documents to be filed in the office of the Commissioner of Corporations shall be furnished by the Commissioner of Corporations on request therefor, but the use thereof, unless otherwise specifically prescribed in this act, shall not be mandatory.

REINCORPORATION OR INCORPORATION OF EXISTING CORPORATIONS

SEC. 143. Any corporation which is either—

(1) organized and existing under the laws of the District of Columbia on the date this act takes effect and which is organized for profit and for a purpose or purposes authorized by this act; or

(2) created under the provisions of a special act of Congress to transact business in the District of Columbia for profit and for purposes authorized by this act;

may avail itself of the provisions of this act and may become reincorporated or incorporated hereunder in the following alternative manner:

I. REINCORPORATION

(a) The board of directors shall adopt a resolution declaring it advisable in the judgment of the board that the corporation should be reincorporated under the provisions of this act and further setting forth the following statements for articles of incorporation under this Act:

(1) The name which the corporation elects to be reincorporated under and which shall contain the word "corporation," "company," "incorporated," or "limited," or shall end with an abbreviation of one of said words.

(2) The designation of the address, including street and number, if any, of its registered office in the District of Columbia; and the name of its registered agent at such address.

(3) The purpose or purposes for which the corporation was organized and which it will hereafter carry on.

(4) The aggregate number of shares which the corporation was authorized to issue and, if said shares were of one class only, the par value of such shares, or a statement that all were without par value, as the case may be; or if said shares were divided into classes, the number of shares of each class, if any, that have a par value and the par value of each share of each such class, and the number of shares of each class, if any, that are without par value.

(5) If the shares were divided into classes, the designation of each class and a statement of the preferences, qualifications, limitations, restrictions, and the special or relative rights in respect of the shares of each class and whether the shares of any class have full, limited, or no voting power.

(6) The number of directors of the corporation.

(7) Any other provisions, not inconsistent with law, or this act, for the regulation of the internal affairs of the corporation.

(8) That it elects to surrender its existing charter and to be reincorporated under and subject to the provisions of this Act.

It shall not be necessary to set forth in the articles of reincorporation any of the corporate powers enumerated in this Act.

(b) Written or printed notice setting forth the proposed articles of reincorporation or a summary thereof shall be given to each shareholder of record within the time and in the manner provided in this act for giving notice of meetings of shareholders.

(c) At such meeting a vote of the shareholders shall be taken on the proposed reincorporation and it shall be adopted upon receiving the affirmative vote of the holders of two-thirds of the outstanding shares unless two or more classes of shares are issued in which event, it shall be adopted upon receiving the affirmative vote of two-thirds of the outstanding shares of each class issued.

(d) Upon receiving such approval, articles of reincorporation shall be executed in duplicate by the corporation by its president or vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and delivered to the Commissioner of Corporations.

(e) If the Commissioner of Corporations finds that the articles of reincorporation conform to law, he shall, when all fees and charges have been paid as in this act, prescribed—

(1) endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of reincorporation to which he shall attach the other duplicate original which shall be filed for record in the Office of the Recorder of Deeds; or—

II. INCORPORATION

EFFECT OF FILING ARTICLES OF REINCORPORATION

(a) By filing with the Commissioner of Corporations a copy of its charter, or articles of incorporation, then in effect, certified by the secretary of said corporation, together with a certificate executed on behalf of the corporation by the president or a vice president and the secretary or the assistant secretary setting forth the following:

(1) The name of the corporation, which shall contain the word "corporation," "company," "incorporated," or "limited," or shall end with an abbreviation of one of said words.

(2) The designation of the address, including street and number, if any, of its registered office in the District of Columbia; and the name of its registered agent at such address.

(3) The purpose or purposes for which the corporation was organized and which it will hereafter carry on.

(4) The aggregate number of shares which the corporation was authorized to issue and, if said shares were of one class only, the par value of such shares, or a statement that all were without par value, as the case may be; or if said shares were divided into classes, the number of shares of each class, if any, that have a par value and the par value of each share of each such class, and the number of shares of each class, if any, that are without par value.

(5) If the shares were divided into classes, the designation of each class and a statement of the preferences, qualifications, limitations, restrictions, and the special or relative rights in respect of the shares of each class and whether the shares of any class have full, limited, or no voting power.

(6) The number of directors of the corporation.

(7) Any other provisions, not inconsistent with law, or this act, for the regulation of the internal affairs of the corporation.

It shall not be necessary to set forth in such certificate any of the corporate powers enumerated in this act.

(b) A copy of a resolution of the board of directors certified to by the Secretary of such corporation which shows that said board believes it advisable that the corporation should elect to avail itself of the provisions of this act and become incorporated hereunder.

(c) A certificate of the secretary of such corporation to the effect that such action by the corporation has been ratified and approved by the affirmative vote of not less than a majority of the outstanding shares of capital stock of such corporation entitled to vote.

(d) If the Commissioner of Corporations finds that such papers conform to law, he shall accept them for filing in the same manner as herein provided for the filing of articles of incorporation.

EFFECT OF FILING ARTICLES OF REINCORPORATION OR CERTIFICATES OF REINCORPORATION

SEC. 144. Upon the issuance of articles of reincorporation or the certificate of reincorporation by the Commissioner of Corporations the existence of the corporation shall be continued under this act and the corporation shall be entitled to and be possessed of all the privileges, franchises, and powers and subject to all the provisions of this act as fully and to the same extent as if such corporation had been originally incorporated under this act; and all privileges, franchises, and powers theretofore belonging to said corporation and all property, real, personal, and mixed, and all debts due on whatever account, and all choses in action, and all and every other interest of or belonging to or due such corporation shall be, and the same are hereby, ratified, approved, and confirmed and assured to such corporation with like effect and to all intents and purposes as if the same had been originally acquired through incorporation under this act: *Provided, however,* That any corporation thus reincorporating or incorporating under the provisions of this act shall be subject to all the contracts, debts, claims, duties, liabilities, and obligations of the corporations thus reincorporated or incorporated as if such reincorporation or incorporation had not taken place and neither the rights of creditors nor any liens upon the property of any such corporation shall be impaired by such reincorporation or incorporation. Such reincorporated or incorporated corporation shall not be subject to the payment of the initial franchise tax provided by this act.

TRANSFER OF DUTIES OF RECORDER OF DEEDS

SEC. 145. (a) All powers conferred and all duties imposed upon the Recorder of Deeds of the District of Columbia by any act of Congress in relation to the organization of corporations, the amendment of certificates of incorporation or charters of corporations, change in capital stock, change of name, reincorporation, dissolution, or other corporate action are on the effective date of this act hereby transferred to, imposed upon, and shall be exercized or performed by the Commissioner of Corporations; and wherever the words "Recorder of Deeds" or other words denoting that officer appear in any of the acts of Congress relating to the organization of corporations under the laws of the District of Columbia, or to amendments to the certificate of incorporation or charter of any corporation organized and existing under any of such acts, or to changes of name, changes of capital stock, reincorporation, dissolution, or other corporate action of any such corporation, whether such words relate to the powers and duties of such officer in relation to organization of corporations under any such acts, or to any of the corporate acts hereinbefore enumerated or are used in connection with the imposition of obligations or duties or the conferring of rights or privileges upon corporations or other persons, such words shall be construed to mean the Commissioner of Corporations. All fees and charges, except as hereinafter provided, now chargeable by the Recorder of Deeds for doing the work or performing the services hereby transferred to the Commissioner of Corporations shall, after the effective date of this act, be chargeable by the Commissioner of Corporations. On and after the effective date of this act all certificates of incorporation or charters for the organization of corporations under any act of Congress or for the amendment of any such certificate of incoporation or charter, changes in capital stock, reincorporation, disssolution, or other corporate action under any such act, shall be delivered to the Commissioner of Corporations in duplicate original. If the Commissioner of Corporations finds that any such document conforms to law, he shall, when all fees have been paid as prescribed by law—

(1) endorse on each such duplicate original the word "filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Commissioner of Corporations shall be recorded in the Office of the Recorder of Deeds, and he shall charge the usual fee for recordation as for deeds of real estate.

(b) The filing of such document in the Office of the Commissioner of Corporations shall have the same force and effect as the recordation or lodging for recordation of certificates of incorporation and other corporate documents hereinbefore enumerated, formerly had in the Office of the Recorder of Deeds.

(c) Upon the effective date of this act, the Commissioner of Corporations shall take possession of all original books, papers, and records theretofore filed, recorded, used, or acquired by the Recorder of Deeds in the exercise of the powers and in the performance of the duties hereby transferred to the Commissioner of Corporations, but nothing herein contained shall require the Recorder of Deeds to transfer any copies or transcripts of corporate papers that may constitute part of the records of his office.

CONSTITUTIONALITY

SEC. 146. The invalidity of any portion of this act shall not affect the validity of any other portion thereof which can be given effect without such invalid part.

RIGHT OF REPEAL RESERVED

SEC. 147. Congress reserves the right to alter, amend, or repeal this act, or any part thereof, or any certificate of incorporation or certificate of authority issued pursuant to its provisions.

TIME OF TAKING EFFECT

SEC. 148. This act shall take effect 180 days after the date of its approval, and thereafter no corporation eligible to be formed under this act shall be incorporated under any other act or statute now in force in the District of Columbia.

The amendment was agreed to.

Mr. CORDON. Mr. President, I notice the bill contains 255 pages of matter. I should like at least to have a slight explanation of what we are passing here, by unanimous consent, in view of the magnitude of the bill.

Mr. KEM. Mr. President, this is a comprehensive code for the organization of corporations under the laws of the District of Columbia. The present code has been in effect for many years, and is by no means modern. In the last Congress, the Senator from Nevada [Mr. MCCARRAN] introduced a bill to modernize the code, but the bill was not passed. At this session, another bill, incorporating a part of the bill prepared by the Senator from Nevada, and including, in part, a bill prepared by the American Bar Association, was prepared by a committee of the Bar Association of the District of Columbia, under the chairmanship of Mr. Roger J. Whiteford, a well-known practitioner in that field at the bar of the District of Columbia. The bill was endorsed by the District of Columbia Bar Association and was sent to Congress, with an accompanying letter by Mr. George E. McNeil, president of the Bar Association of the District of Columbia, which letter appears at page 50 of the report recommending its passage.

At page 51 of the report there is a letter from Mr. Roger J. Whiteford, chairman of the committee that prepared the bill, also recommending its passage.

I think that any Senator, on careful examination of the bill, will find that it is a complete, modern, workable code for the organization of corporations. Under the present law, practically every corporation organized by citizens of the District of Columbia goes to a State like Maryland, or Delaware, or Maine. The purpose and intent of the law is to furnish a modern code for inhabitants of the District, so that when they have oc-

casion to organize corporations they can do so under the laws of the District.

Mr. CORDON. Mr. President, I have no objection.

The PRESIDENT pro tempore. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill (S. 8) was ordered to be engrossed for a third reading, read the third time, and passed.

RELIEF OF TREASURY DEPARTMENT CHIEF DISBURSING OFFICER

The Senate proceeded to consider the bill (S. 1350) to authorize relief of the Chief Disbursing Officer, Division of Disbursement, Treasury Department, and for other purposes, which had been reported from the Committee on Expenditures in the Executive Departments with an amendment, to strike out all after the enacting clause and insert the following:

That the General Accounting Office is authorized, after consideration of the pertinent findings and if in concurrence with the determinations and recommendations of the head of the department or independent establishment concerned, to relieve any disbursing or other accountable officer or agent or former disbursing or other accountable officer or agent of any such department or independent establishment of the Government charged with responsibility on account of physical loss or deficiency for any reason whatsoever of Government funds, vouchers, records, checks, securities, or papers in his charge, if the head of the department or independent establishment determines (1) that such loss or deficiency occurred while such officer or agent was acting in the discharge of his official duties, or that such loss or deficiency occurred by reason of the act or omission of a subordinate of such officer or agent; and (2) that such loss or deficiency occurred without fault or negligence on the part of such officer or agent. This act shall be applicable only to the actual physical loss or deficiency of Government funds, vouchers, records, checks, securities, or papers, and shall not include deficiencies in the accounts of such officers or agents resulting from illegal or erroneous payments.

SEC. 2. The paragraph of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1920, and for other purposes," approved July 11, 1919, relating to relief of disbursing officers of the Navy (41 Stat. 132; U. S. C., title 31, sec. 105), and the act entitled "An act to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge," approved December 13, 1944 (58 Stat. 800; U. S. C., title 31, sec. 95a), is hereby repealed.

The amendment was agreed to.

Mr. BALL. Mr. President, may we have an explanation of the bill?

Mr. AIKEN. Mr. President, the bill, which was originally requested by the Secretary of the Treasury, had as its original and sole purpose the providing, through the Comptroller General of the United States; of a channel of relief for present and former disbursing personnel, of the Division of Disbursement of the Treasury Department, who were under liability on account of physical loss or deficiency in Government funds, vouchers, records, or papers. The justification for the request by the Secretary of the Treasury is that, at the present time, relief of the kind with which this bill is concerned is required to be granted either through passage of a special relief bill by the Congress or by the filing of suit by the responsible person in the United States Court of Claims, the latter to be done at the personal expense of the responsible person. Both methods are costly and time consuming.

In the course of study of the proposal submitted by the Secretary of the Treasury, the staff of the committee developed the following pertinent facts:

First. The type of relief sought to be granted by the bill is entirely equitable because it covers only cases where the occurrence of the loss or deficiency clearly is beyond the control of the person to whom liability attaches.

Second. The War and Navy Departments have, for a number of years, enjoyed a similar type of legislation.

Third. The Comptroller General of the United States is wholly in support of the principles involved in the proposed legislation.

Fourth. In the particular interest of the Post Office Department, which has a vast number of employees in the category affected by the bill, the coverage of the legislation as proposed by the Secretary of the Treasury requires modification to include cases of secondary, in addition to primary, responsibility.

The Treasury originally proposed that they should be the final judge as to whether an employee or disbursing officer was at fault or not. The committee changed that to make the Comptroller General the final person who could grant the relief, rather than the head of the department.

The committee emphasizes also that the bill is directed to relief for physical loss or deficiency with respect to which the accountable Government employee is found to be wholly innocent of fault or negligence. The bill does not permit the granting of relief to any person who is guilty of wrongdoing by way of erroneous or illegal payments, embezzlement, or otherwise.

The committee gave the bill careful consideration, and consulted with the Comptroller General in respect to it.

The PRESIDENT pro tempore. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill (S. 1350) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize relief of accountable officers of the Government, and for other purposes."

AMENDMENT OF FEDERAL CROP INSURANCE ACT—BILL PASSED OVER

The bill (S. 1326) to amend the Federal Crop Insurance Act was announced as next in order.

Mr. HICKENLOOPER. Mr. President, may we have an explanation of the bill?

Mr. AIKEN. The bill reduces the scope of the Federal crop-insurance program. During the last few years there has been a pretty heavy loss in the insurance of crops. The committee felt that Federal crop insurance is rather in the experimental stage, and for that reason approved the bill, which reduces the scope of the crop-insurance program. We felt that if that were not done perhaps there would be no justification for continuing it at all. We thought at the same time that it should be continued on an experimental basis for some time longer.

The bill reduces the number of counties in which cotton crops may be insured to 56, instead of 800 or 900. It reduces the wheat-insurance program to 633 counties, instead of the 1,300 or 1,400 counties that have been insured. The reason for that reduction is not that money has been lost on wheat insurance, because, on the whole, the wheat-insurance program is in the black, but because so many counties demanded insurance where only a few acres or only a comparatively small part of the cropland was used for wheat, that the overhead expense of maintaining an establishment to insure those counties was out of all proportion, and placed an unfair burden on the regular Wheat Belt of the country.

The bill provides for an increase in the experimental insurance on tobacco, and, I believe, corn, from 20 to 50 acres. The reason for that is that there has been a very substantial profit made on the insurance on tobacco, and I think corn is slightly in the black.

The bill also authorizes the Government to enter into contracts with private insurance companies in a few counties—I think the number allowed is 20—to see if through cooperative effort, by using the staffs of the insurance companies which are writing fire insurance in those counties, it will be possible to work out some program whereby counties in which certain crops are of lesser importance may also receive insurance in the future.

The bill changes the board which handles the crop insurance program. Up to now the Secretary of Agriculture had been a member of the Board and he has appointed the other members. The bill provides that the Board shall consist of five members, three of whom shall be appointed by the Secretary of Agriculture from the Department, and two of whom shall be experienced insurance men who may be paid on a per diem basis.

The whole purpose of the bill is to try to get crop insurance on a practical basis. In order to do so we feel that it is necessary to experiment with it a little while longer. So far as I know there is not the slightest objection on the part of the private insurance companies to the program. In fact they are very much interested in it, and are looking forward to the time when they may be able to cooperate in it, but at present they do not feel that they themselves want to undertake it, except that some of them sell hail insurance.

There is one other portion of the bill which provides for increasing the capital stock of the Corporation from $100,000,000 to $150,000,000. Most of the $100,000,000 has been spent on reimbursing losses on cotton. They have been very heavy. The loss was $40,000,000 last year, although the other crops are in the black. Therefore, we felt that cotton should be put on an experimental

basis again, and we have reduced the number of counties in which insurance can be written to 56.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CORDON. I am in accord with the thought that further experience is necessary, and that it would be altogether proper to follow some plan of experiment. I note, however, that there is an increase of the capital stock from $100,000,000 to $150,000,000. My understanding is that some $80,000,000 of the original $100,000,000 has now been used up in paying the excess insurance over the amount of premiums collected. Is that correct?

Mr. AIKEN. The Senator is correct. It is approximately that amount.

Mr. CORDON. There would be about $70,000,000 available for the purpose of experiment. That would appear to be rather a large sum for experimental purposes. I should particularly like to have the Senator advise us as to what is going to be done to set up a proper insurance program basis so that the hazards can at least be approximately offset by the actual insurance premiums paid.

Mr. AIKEN. That is the purpose of continuing it as an experimental program, because in the long run it must be made self-supporting if it is to continue. Most of the crops have been self-supporting. Unfortunately, there has been a heavy loss on cotton. However, this year, while the Federal Crop Insurance Board have their fingers crossed, the present indications are that they will finish in the black for all crops. But we feel that we should experiment further in the matter of premiums. That is one reason for cutting out many counties. Perhaps there is a county in which not more than 100 acres of wheat are grown, which is 500 miles from the wheat belt, and yet under the present law the Board has had to insure those 100 acres if the owner demanded it. I believe at the present time about 20 percent of the wheat crop of the country is under insurance.

With respect to tobacco, insurance has been limited to 20 experimental counties. We are raising that number to 40 counties because the experience has been good. There probably was more experience on the part of private insurance companies to be made use of in fixing premiums in those counties. The purpose is to make the insurance of crops self-supporting. The committee added an amendment which provides that the enactment of the legislation shall not break the contracts which have already been entered into for this year's insurance.

I might also say that there is a bill on the House calendar——

Mr. LUCAS. Mr. President, I demand the regular order.

The PRESIDENT pro tempore. The Senator from Illinois demands the regular order. The time of the Senator from Vermont has expired.

Mr. TAFT. Mr. President, I feel obliged to object. It seems to me the bill would require the expenditure of $50,000,000 more this year. I think a matter of that sort ought to be considered in more detail than is possible under the 5-minute rule.

The PRESIDENT pro tempore. The bill will be passed over.

PATENT IN FEE TO CLAUDE E. MILLIKEN

The Senate proceeded to consider the bill (S. 714) authorizing the Secretary of the Interior to issue a patent in fee to Claude E. Milliken, which had been reported from the Committee on Public Lands with amendments, on page 1, line 3, after the word "That", to insert "upon application in writing;" and in line 7, after the word "numbered", to strike out "144, the north half, north half, south half, south half, southwest" and insert "144, the north half, the north half of the south half and the south half of the southwest", so as to make the bill read:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Claude E. Milliken, of Billings, Mont., a patent in fee to the following described lands allotted to him on the Crow Indian Reservation, Montana: Allotment No. 144, the north half, the north half of the south half and the south half of the southwest quarter, of section 21, township 4 south, range 28 east, containing 560 acres, and the north half, northwest half of section 24, township 5 south, range 26 east, Montana principal meridian, containing 80 acres.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MANAGEMENT OF RESTRICTED LANDS OF CROW TRIBE, MONTANA

The bill (S. 1317) to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands for their own use or for lease purposes, while such lands remain under trust patents was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, except as otherwise provided in this act, members of the Crow Tribe of Indians of Montana shall have power to use, lease, or otherwise manage their allotted lands and the allotted lands of their minor children, and to receive and manage the income therefrom, without supervision by any officer or agency of the United States.

SEC. 2. The allotted lands of members of such tribe who have been adjudged incompetent by a court or who are orphan minors shall be managed to the best interests of such members, jointly by the officer of the United States in charge of the Crow Indian Reservation and the next of kin of such persons.

SEC. 3. (a) No lease of lands for grazing or farming purposes shall be made under the authority of this act for a period longer than 5 years, except that irrigable lands under the Big Horn unit of the Crow Indian irrigation project may be leased for farming purposes for a period not exceeding 10 years.

(b) All leases of lands for farming or grazing purposes made under the authority of this act shall be recorded for public inspection at the Crow Indian Agency office.

SEC. 4. In any case in which, by reason of the number of heirs, the division of income from inherited allotted lands of members of the Crow Tribe is impracticable or involves unwarranted expense, such heirs shall be authorized to sell such lands and to receive the proceeds of such sale, but in any such sale preference shall be given to prospective purchasers who are members of such tribe. Upon any such sale, the Secretary of the Interior is authorized and directed to convey legal title to such lands to the purchaser thereof.

BYLAWS OF PROTESTANT EPISCOPAL CHURCH IN THE DISTRICT OF COLUMBIA

The bill (S. 1402) to authorize the parishes and congregations of the Protestant Episcopal Church in the District of Columbia to establish bylaws governing the election of their vestrymen was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the parishes and separate congregations of the Protestant Episcopal Church in the District of Columbia may by bylaws provide for the manner of conducting elections of vestrymen, the number of vestrymen to be elected, and the length of the terms of the offices of vestrymen. Such bylaws may be adopted at any annual meeting of members of the parish or congregation by a vote of two-thirds of the qualified voters present at such meeting: *Provided*, That notice at least 30 days prior to the meeting shall be given by the vestry to all qualified voters of the parish or congregation that such bylaws are to be presented and voted upon.

SEC. 2. Any bylaws adopted as authorized by this act shall be subject to amendment, modification, or repeal at any annual meeting of the parish or congregation in the same manner as herein provided for adoption of such bylaws. Notice shall be given to all qualified voters of the parish or congregation at least 30 days prior to any annual meeting of any proposed amendment, modification, or repeal of any of the bylaws adopted pursuant to this act.

COLLECTION OF TRANSCRIPT FEES BY OFFICIAL REPORTERS OF MUNICIPAL COURT OF THE DISTRICT OF COLUMBIA

The bill (S. 1462) to authorize the official reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes, was announced as next in order.

Mr. JOHNSTON of South Carolina. Mr. President, may we have an explanation of the bill?

Mr. KEM. Mr. President, it is customary for official reporters of courts to sell transcripts at regular rates to those who desire to buy them. That is usually provided for by law. In the case of reporters in the municipal courts of the District of Columbia they have no such authority, and the bill gives them the usual and customary privilege.

The PRESIDING OFFICER (Mr. IVES in the chair). Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in addition to their annual salaries, official reporters for the municipal court for the District of Columbia are authorized to charge and collect from parties, including the United States and the District of Columbia, who request transcripts of the original records of proceedings, such fees therefor, and no other, as may be prescribed from time to time by the court. All supplies shall be furnished by the official reporters at their own expense. The court shall have the power and is hereby directed to prescribe such rules, practice, and procedure pertaining to fees for transcripts as it may deem necessary, and the same shall conform as nearly as may be

practicable to the rules, practice, and procedure pertaining to fees for transcripts established for the District Court of the United States for the District of Columbia. No fee shall be charged or taxed for any copy of a transcript delivered to a judge at his request or for any copies of a transcript delivered to the clerk of the court for the records of the court. Except as to transcripts that are to be paid for by the United States or the District of Columbia, the reporters may require any party requesting a transcript to prepay the estimated fee therefor in advance of delivery of the transcript.

METROPOLITAN POLICE BAND

The bill (H. R. 2470) to authorize the establishment of a band in the Metropolitan Police force was considered, ordered to a third reading, read the third time, and passed.

FUNDS FOR RECEPTION AND ENTERTAINMENT OF OFFICIALS IN THE DISTRICT OF COLUMBIA

The bill (H. R. 3547) to authorize funds for ceremonies in the District of Columbia was considered, ordered to a third reading, read the third time, and passed.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF ESTABLISHMENT OF THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the joint resolution (S. J. Res. 129) to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment, on page 2, line 10, after the word "citizens", to insert "residents in the District of Columbia", so as to make the joint resolution read:

Resolved, etc., That, to provide for the appropriate commemomation of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia in the year 1800, there is hereby established a commission to be known as the National Capital Sesqui-Centennial Commission, hereinafter referred to as the "Commission") and to be composed of 15 Commissioners, as follows: The President of the United States, who shall be ex officio Chairman; the President pro tempore of the Senate and the Speaker of the House of Representatives, ex officio; three Senators to be appointed by the President pro tempore of the Senate and three Representatives to be appointed by the Speaker of the House of Representatives; three residents of the District of Columbia to be appointed by the President after receiving the recommendations of the Board of Commissioners of the District of Columbia; and three prominent citizens residents in the District of Columbia at large to be appointed by the President. The Commissioners, with the approval of the Chairman, shall select an Executive Vice Chairman from among their number.

SEC. 2. It shall be the duty of the Commission, after promulgating to the American people an address relative to the reason of its creation and of its purpose, to prepare a plan or plans and a program for the signalizing the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia; to give due and proper consideration to any plan which may be submitted to it; to take such steps as may be necessary in the coordination and correlation of plans prepared by State commissions or by bodies created under appointment by the governors of the respective States and Territories or by representative civic bodies; and, if the participation of other nations in the commemoration be deemed advisable, to communicate with the governments of such nations.

SEC. 3. When the Commission shall have approved of any plan of commemoration, then it shall submit such plan, insofar as it may relate to the fine arts, to the Commission of Fine Arts for its approval, and, insofar as it may relate to the plan of the National Capital and its history, to the National Capital Park and Planning Commission and the Board of Commissioners of the District of Columbia for their joint approval, and in accordance with statutory requirements.

SEC. 4. The Commission, after selecting an Executive Vice Chairman from among its members, may employ a director and a secretary and such other assistants as may be needed to organize and perform the necessary technical and clerical work connected with the Commission's duties and may also engage the services of expert advisers without regard to civil-service laws and the Classification Act of 1923, as amended, and may fix their compensation within the amounts appropriated for such purposes.

SEC. 5. The Commissioners shall receive no compensation for their services, but shall be paid actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties, out of the amounts appropriated therefor.

SEC. 6. The Commission shall, on or before the 2d day of January 1948, make a report to the Congress, in order that further enabling legislation may be enacted.

SEC. 7. The Commission shall expire December 31, 1952.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

ISSUANCE OF SEWER BONDS BY HONOLULU

The bill (S. 1419) to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Legislature of the Territory of Hawaii, any provision of the Hawaiian Organic Act or of any act of this Congress to the contrary notwithstanding, may authorize the city and county of Honolulu, a municipal corporation of the Territory of Hawaii, to issue general-obligation bonds in the sum of $5,000,000 for the purpose of enabling it to construct, maintain, and repair a sewerage system in the city of Honolulu.

SEC. 2. The bonds issued under authority of this act may be either term or serial bonds, maturing, in the case of term bonds, not later than 30 years from the date of issue thereof, and, in the case of serial bonds, payable in substantially equal annual installments, the first installment to mature not later than 5 years and the last installment to mature not later than 30 years from the date of such issue. Such bonds may be issued without the approval of the President of the United States.

SEC. 3. Act — of the Session Laws of Hawaii, 1947, pertaining to the issuance of sewerage-system bonds, as authorized by this act, is hereby ratified and confirmed subject to the provisions of this act: *Provided, however*, That nothing herein contained shall be deemed to prohibit the amendment of such Territorial legislation by the Legislature of the Territory of Hawaii from time to time to provide for changes in the improvements authorized by such legislation and for the disposition of unexpended moneys realized from the sale of said bonds.

PUBLIC IMPROVEMENT BONDS FOR THE TERRITORY OF HAWAII

The bill (S. 1420) to authorize the issuance of certain public-improvement bonds by the Territory of Hawaii, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, during the years 1947 to 1951, inclusive, the Territory of Hawaii is authorized and empowered to issue, any provision of the Hawaiian Organic Act or any other act of Congress to the contrary notwithstanding, public-improvement bonds in such amounts as will not cause the total indebtedness of such Territory to exceed $35,000,000. Any extension of the total indebtedness of such Territory beyond $35,000,000 shall be made solely in conformity with the Hawaiian Organic Act.

SEC. 2. All bonds issued pursuant to section 1 shall be serial bonds payable in substantially equal annual installments, with the first such installment maturing not later than 5 years from the date of issue and the last such installment maturing not later than 30 years from such date.

SEC. 3. Bonds shall not be issued pursuant to section 1 without the approval of the President of the United States.

BILL PASSED OVER

The bill (S. 1038) to amend the Federal Airport Act was announced as next in order.

Mr. BARKLEY, Mr. McFARLAND, and other Senators asked that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

RETURN OF ITALIAN PROPERTY IN THE UNITED STATES

The joint resolution (S. J. Res. 138) to provide for returns of Italian property in the United States, and for other purposes, was announced as next in order.

Mr. BYRD. Mr. President, may we have an explanation of the joint resolution?

Mr. VANDENBERG. Mr. President, I am very glad to explain the joint resolution. I think I can do so briefly.

I am sure that the purposes of the joint resolution will meet the unanimous desires of the Senate, as expressed at the time the Italian Peace Treaty was agreed to. This is one of the several very definite steps which the American Government is now undertaking to take by way of cooperation with the new democratic government in Italy.

In the course of the war $60,000,000 worth of Italian property in the United States was either blocked or vested. Forty-five million dollars of this Italian property in the United States was blocked by the Treasury. That can be unblocked by the Treasury without legislative action, as a result of negotiations with the new Italian Government. Such negotiations are now under way.

The other $15,000,000 of property was vested in the Alien Property Custodian. The difference in the types of property is that, speaking generally, the property which was blocked would be current

property, liquid property, money, and securities. The vested property is permmanent property. The vested property cannot be taken out from under the Alien Property Custodian and returned to the Italian owners without an act of Congress. It is the purpose, therefore, of the joint resolution to permit the return of $15,000,000 of Italian property to Italian owners, with a reservation of about $5,000,000 to pay any possible American claims against it. That is one purpose of the joint resolution.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. PEPPER. Are any patent rights involved in this proposal? I ask that question because in the case of Germany a great many valuable patent rights were acquired by the Alien Property Custodian and made available to our people.

Mr. VANDENBERG. It is my understanding that there are almost no patent rights involved in this particular transaction.

The other half of the bill deals with the loss of Italian merchant ships which we took over and operated in connection with the process of the war. Many of them were damaged, but even those cannot be returned to the new Italian Government without this legislation because heretofore Italy has been classified exclusively as an enemy, and it is necessary to change her classification to that of a cobelligerent in order to create the authority for the return of the ships.

In addition, perhaps 15 Italian merchant ships were taken over by us and used during the war. They were lost; and it is proposed, as an act of grace and as an act of acknowledgment of the cobelligerency of the Italian Government under the proclamations of General Eisenhower and the then President of the United States, to replace that tonnage with Liberty-ship tonnage.

Senators will understand that Liberty-ship tonnage is of no particular value to the United States. There are something like 2,300 Liberty ships in existence; 500 of them have been sold to foreign operators, 1,200 are currently under charter, and four or five hundred are in lay-up under the jurisdiction of the Maritime Commission. The remainder, consisting of several hundred, are simply rotting in the same old fashion that we saw after World War I, choking the rivers and harbors in many areas of the country. It will require about 28 of these Liberty ships to offset the tonnage loss which it is now proposed to restore to Italy. Even the scrap value of those ships is less than $10,000 apiece. However, the attitude of the American people, as expressed in this legislation, will be an incalculably valuable uplift in connection with the difficulties and vicissitudes of the new democratic government in Italy, and it is believed that the passage of the joint resolution will be of very great psychological advantage.

Mr. PEPPER. Mr. President, will the Senator further yield?

Mr. VANDENBERG. I yield.

Mr. PEPPER. I shall not object to the joint resolution. I respect the point of view of the able Senator from Michigan, who has presented the case; but I cannot withhold the observation that it is a little incongruous for us to pay the Italian Government or people for ships which we took over during the war, during which time no state of cobelligerency existed. While we are replacing the Italian ships, I wish it were possible for the Italians to replace the American boys who were killed in Italy.

Mr. VANDENBERG. I totally agree with the Senator's point of view; but we confront a condition and not a theory today.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. McCARRAN. Does this involve turning over to Italy any tankers?

Mr. VANDENBERG. No. These are 28 of the Liberty ships—not the Victory ships, but the old Liberty ships—which are out of commission, and simply tied up in stand-by storage. They are of no use whatever to us.

Mr. McCARRAN. My reason for asking the question is that in committees of the Senate quite recently the question of oil has been involved. It has been brought out that we now have tankers rusting in certain harbors which could be used for bringing oil to this country. If it is proposed to turn such tankers over to some other country, whether it be Italy or any other country, it seems to me that that would be an error at this time.

Mr. VANDENBERG. I assure the Senator that there is nothing involved except old Liberty ships, not tankers. The ships are of no value beyond a possible scrap value of a maximum of $10,000 each.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. JOHNSTON of South Carolina. If any damage has been done to the ships, will we have to make good the damage?

Mr. VANDENBERG. No. The ships are to be delivered on what is called an as-is-where-is basis.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. RUSSELL. I believe that the joint resolution is the initial enactment of the Congress recognizing that Italy was a cobelligerent.

Mr. VANDENBERG. I think that is true.

Mr. RUSSELL. I have never been able to accept that point of view. I think Italy became only nominally a cobelligerent after she was utterly defeated. I have been unable to understand some of the things done to determine that she was a cobelligerent.

Will that determination involve in the future any financial or other contribution on the part of the Government to make good other Italian war losses?

Mr. VANDENBERG. No. This is the only point at which the designation is involved, and it is involved solely because the property was taken over by the Alien Property Custodian. So far as concerns American claims involving American property in Italy which was destroyed or damaged, it is compensated for under the terms of the treaty, and there is no obligation of any nature created by this legislation beyond that which I have described. It involves the liquidation of Italian property in the United States. In any event it would have to be liquidated someday.

Mr. RUSSELL. Mr. President, I shall not object to the joint resolution. I should like to do all I can to sustain any form of democratic government in Italy. However, I have grave apprehension that these Liberty ships and other ships being delivered to the democratic government in Italy today may in the future wind up in the hands of some government which cannot be called democratic.

Mr. VANDENBERG. I think that is true. Nevertheless, I think that is a chance worth taking at the moment.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President, or such officer or agency as he may designate, is hereby authorized to return, in accordance with the procedures provided for in section 32 of the Trading With the Enemy Act, as amended, any property or interest, or the net proceeds thereof, which has been, since December 18, 1941, vested in or transferred to any officer or agency of the United States pursuant to the Trading With the Enemy Act, as amended, and which immediately prior to such vesting or transfer was the property or interest of Italy or a citizen or subject of Italy, or a corporation or association organized under the laws of Italy.

SEC. 2. Section 32 (a) (2) of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby further amended to read as follows:

"(2) that such owner, and legal representative or successor in interest, if any, are not—

"(A) the Government of Germany, Japan, Bulgaria, Hungary, or Rumania; or

"(B) a corporation or association organized under the laws of such nation: *Provided*, That any property or interest or proceeds which, but for the provisions of this subdivision (B), might be returned under this section to any such corporation or association, may be returned to the owner or owners of all the stock or such corporation or of all the proprietary and beneficial interest in such association, if their ownership of such stock or proprietary and beneficial interest existed immediately prior to vesting in or transfer to the Alien Property Custodian and continuously thereafter to the date of such return (without regard to purported divestments or limitations of such ownership by any government referred to in subdivision (A) hereof) and if such ownership was by one or more citizens of the United States or by one or more corporations organized under the laws of the United States or any State, Territory, or possession thereof, or the District of Columbia: *Provided further*, That such owner or owners shall succeed to those obligations limited in aggregate amount to the value of such property or interest or proceeds, which are lawfully assertible against the corporation or association by persons not ineligible to receive a return under this section; or

"(C) an individual voluntarily resident at any time since December 7, 1941, within the territory of such nation, other than a citizen of the United States or a diplomatic or con-

sular officer of Italy or of any nation with which the United States has not at any time since December 7, 1941, been at war: *Provided*, That an individual who, while in the territory of a nation with which the United States has at any time since December 7, 1941, been at war, was deprived of life or substantially deprived of liberty pursuant to any law, decree, or regulation of such nation discriminating against political, racial, or religious groups, shall not be deemed to have voluntarily resided in such territory; or

"(D) an individual who was at any time after December 7, 1941, a citizen or subject of Germany, Japan, Bulgaria, Hungary, or Rumania, and who on or after December 7, 1941, and prior to the date of the enactment of this section, was present (other than in the service of the United States) in the territory of such nation or in any territory occupied by the military or naval forces thereof or engaged in any business in any such territory: *Provided*, That notwithstanding the provisions of this subdivision (D) return may be made to an individual who, as a consequence of any law, decree, or regulation of the nation of which he was then a citizen or subject, discriminating against political, racial, or religious groups, has at no time between December 7, 1941, and the time when such law, decree, or regulation was abrogated, enjoyed full rights of citizenship under the law of such nation; or

"(E) a foreign corporation or association which at any time after December 7, 1941, was controlled or 50 percent or more of the stock of which was owned by any person or persons ineligible to receive a return under subdivisions (A), (B), (C), or (D) hereof: *Provided*, That notwithstanding the provisions of this subdivision (E), return may be made to a corporation or association so controlled or owned, if such corporation or association was organized under the laws of a nation any of whose territory was occupied by the military or naval forces of any nation with which the United States has at any time since December 7, 1941, been at war, and if such control or ownership arose after March 1, 1938, as an incident to such occupation and was terminated prior to the enactment of this section;

and"

SEC. 3. The first sentence of section 33 of the Trading With the Enemy Act (40 Stat. 411), as amended, is hereby further amended to read as follows:

"SEC. 33. No return may be made pursuant to section 9 (a) or 32 (a) unless notice of claim for return has been filed within 2 years from the seizure or vesting in the Alien Property Custodian, as the case may be, of the property or interest in respect of which the claim is made or by August 8, 1948, or in the case of claims pursuant to section 32 (a) by Italy, citizens or subjects of Italy, or corporations or associations organized under the laws of Italy, by July 31, 1949, whichever is later."

SEC. 4. The President is authorized upon such terms as he deems necessary (a) to transfer to the Government of Italy all vessels which were under Italian registry and flag on September 1, 1939, and were thereafter acquired by the United States and are now owned by the United States; and (b) with respect to any vessel under Italian registry and flag on September 1, 1939, and subsequently seized in United States ports and thereafter lost while being employed in the United States war effort, to transfer to the Government of Italy surplus merchant vessels of the United States of a total tonnage approximately equal to the total tonnage of the Italian vessels lost: *Provided*, That no monetary compensation shall be paid either for the use by the United States or its agencies of former Italian vessels so acquired or seized or for the return or transfer of such vessels or substitute vessels.

The preamble was agreed to.

PRINTING OF PROCEEDINGS ATTENDING UNVEILING OF STATUE OF FORMER SENATOR WILLIAM E. BORAH

The concurrent resolution (S. Con. Res. 18) providing for the printing of proceedings held at the unveiling of the statue of William E. Borah, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there be printed, with illustrations, and bound in such form and style as may be directed by the Joint Committee on Printing 5,900 copies of the proceedings held in connection with the unveiling of the statue of former Senator William E. Borah in Statuary Hall, Capitol Building, Washington, D. C., on June 6, 1947, together with such other matter as may be relevant thereto, of which 1,250 copies shall be for the use of the Senate, 3,750 copies for the use of the House of Representatives, and 900 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Idaho.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

RESOLUTION PASSED OVER

The resolution (S. Res. 127) prohibiting under certain conditions the printing in the body of the CONGRESSIONAL RECORD of matter offered as a part of the remarks of a Senator, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The resolution will be passed over.

CAROLYN CRUM ORBELLO

The resolution (S. Res. 128) to pay a gratuity to Carolyn Crum Orbello, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Carolyn Crum Orbello, daughter-in-law of Elsie M. Orbello, late an employee of the Senate, a sum equal to 6 months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

MEMORIAL TO ANDREW J. MELLON

The resolution (H. J. Res. 170) authorizing the erection in the District of Columbia of a memorial to Andrew J. Mellon, was announced as next in order.

Mr. LUCAS. Mr. President, may I inquire how much this is going to cost?

Mr. WHERRY. It will be at no cost to the Government. I think it is to be located at a point near the National Art Gallery.

Mr. CORDON. Mr. President, it will not cost as much as the Andrew Mellon Art Gallery cost.

Mr. WHERRY. I would not want to venture an opinion on that. I am satisfied that the testimony was that it would not cost the Government anything.

Mr. LUCAS. I object.

The PRESIDING OFFICER. The joint resolution will be passed over.

Mr. LUCAS subsequently said: Mr. President, I ask unanimous consent to return to House Joint Resolution 170, order No. 400. I desire to withdraw my objection.

The Senate proceeded to consider the resolution (H. J. Res. 170) to authorize the Secretary of the Interior to grant authority to the Andrew W. Mellon Memorial Committee to erect a memorial fountain on public grounds in the District of Columbia, which had been reported from the Committee on Rules and Administration with amendments, on page 1, line 6, after "grounds", to strike out "at" and insert "in the vicinity of"; in line 9, after "design", to insert "and location"; in line 10, after "Arts", to insert "and the National Capital Park and Planning Commission", so as to make the joint resolution read:

Resolved, etc., That the Secretary of the Interior is hereby authorized and directed to grant authority to the Andrew W. Mellon Memorial Committee to erect a memorial fountain on public grounds in the vicinity of the intersection of Pennsylvania and Constitution Avenues, in the District of Columbia, such grounds being now owned by the United States: *Provided*, That the design and location of the memorial shall be approved by the National Commission of Fine Arts and the National Capital Park and Planning Commission, and the United States shall be put to no expense in or by the erection of this memorial: *Provided further*, That unless funds, which in the estimation of the Secretary of the Interior are sufficient to insure the completion of the memorial, are certified available, and the erection of this memorial begun within 5 years from and after the date of passage of this joint resolution, the authorization hereby granted is revoked.

The amendments were agreed to.

The joint resolution was passed.

CONCURRENT RESOLUTIONS PASSED OVER

The resolution (S. Con. Res. 11), creating a joint committee to investigate certain matters affecting agriculture, was announced as next in order.

Mr. AIKEN. Mr. President, I ask to have the resolution go over. The Senator from Minnesota will confer with the chairman of the House Committee on Agriculture.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

The resolution (S. Con. Res. 6) to include all general appropriation bills in one consolidated general appropriation bill, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDING OFFICER. The concurrent resolution will be passed over.

AMENDMENT TO FEDERAL RESERVE ACT

The bill (S. 1519) to amend section 10 of the Federal Reserve Act as amended, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the ninth paragraph of section 10 of the Federal Reserve Act, as added by the act of June 3, 1922, and amended by the act of February 6, 1923 (U. S. C., title 12, sec. 522), is hereby amended by changing the period at the end thereof to a colon and by adding the following proviso: "*Provided further*, That the cost as above specified shall not be so limited as long as the aggregate of such costs which are incurred by all Federal Reserve banks for branch bank buildings with the approval of the Board of Governors after the date of enactment of this proviso does not exceed $10,000,000."

CONSOLIDATED GENERAL APPROPRIATION BILL

Mr. BYRD. Mr. President, I should like to return to order No. 402, Senate Concurrent Resolution No. 6, to include all general appropriation bills in one consolidated general appropriation bill.

The PRESIDING OFFICER. That concurrent resolution has been passed over.

Mr. BYRD. Mr. President, the Senator from New Hampshire [Mr. BRIDGES] introduced this concurrent resolution. It provides for one omnibus appropriation bill. It simply follows the experience of all the 48 States, as far as I know, in that respect. It is strongly endorsed by the Senator from New Hampshire [Mr. BRIDGES], chairman of the Appropriations Committee, in a letter to me, in which he said:

I am glad to have your letter of February 7 outlining the gist of the resolution which you and Senator BUTLER have redrafted. I want you to know that I heartily approve of this proposed resolution and I feel that it will be of great assistance to the Members of Congress in presenting prospective budgetary statistics in a readily comprehensible and workable form, something which has heretofore been lacking in the matter of congressional understanding of appropriation bills.

It seems to me that this resolution is in accord with our conversation of last Saturday night and is in all respects an excellent scheme for carrying into effect the intent of the Legislative Reorganization Act.

This resolution was considered carefully by the Budget Bureau, the Treasury Department, and the General Accounting Office. It has the full approval of those agencies with respect to the practicability of the resolution. It was then considered very carefully by a subcommittee headed by the distinguished Senator from Nebraska [Mr. WHERRY]. The present Presiding Officer is a member of the committee. It was unanimously reported to the full committee and appeared, by unanimous consent, on the calendar as the report of the committee.

I think it would add greatly to the understanding of the Senate if we could have one appropriation bill and have the totals of each of the 12 subsections. It is felt that the 12 appropriation bills we now have are subsections of the general appropriation bill. This would enable us to understand what we are doing with respect to appropriations.

I dare say there is not a Member of the Senate, excepting the members of the Appropriations Committee, who have any definite information whatever as to what we are doing in connection with these bills that are introduced, frequently without notice and without the possibility of a clear understanding on the part of the general membership of the Senate as to the great sums which are appropriated.

As I have said, it has been carefully worked out and it has the approval of all the members of the committee. It is the same procedure which is established in every State in the Union. I think it would be conducive to economy and to a full understanding of the budget appropriations.

It further provides that there shall be information given with respect to each item appropriated, showing how much is to be expended in the current year and how much in the succeeding year, so that there can be an estimate made at the time of the complete amount appropriated for expenditure. When we pass an appropriation bill it does not mean that the sum involved will be expended in the current year. It may be expended in the following year.

I hope Senators will not insist upon objecting to it, but will let it pass and go to the House. It will have no effect until the first of next January.

Mr. WHERRY. Mr. President, as chairman of the subcommittee I would like to say that the committee did a great deal of work in its study of this measure, and it was because of that work, as the present occupant of the chair knows, that the agencies finally reached a total agreement as to how the bill should operate.

I simply want to substantiate and corroborate the statement just made by the distinguished Senator from Virginia. The bill came from the subcommittee and from the full committee with a unanimous report. It has been carefully prepared, and I think it is in total agreement with all the Government agencies.

The PRESIDING OFFICER. Is there any objection?

SEVERAL SENATORS. Over!

The PRESIDING OFFICER. The concurrent resolution will be pased over.

TRANSFER OF BLAIR COUNTY, PA.

The bill (H. R. 325) to transfer Blair County, Pa., from the middle judicial district of Pennsylvania, to the western judicial district of Pennsylvania, was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 493) to provide for the coordination of agencies disseminating technological and scientific information, was announced as next in order.

Mr. TAFT. Mr. President, may we have an explanation of the bill?

Mr. WHERRY. I ask to have the bill go over.

Mr. FULBRIGHT. It is not out of order to ask for an explanation, is it?

Mr. WHERRY. No. I beg the Senator's pardon. I am not making an objection. I am making the request on behalf of a Senator who is absent.

Mr. FULBRIGHT. This bill was introduced last year, and I wish to call the attention of the Senator from Ohio [Mr. TAFT] and the Senator from Nebraska [Mr. WHERRY] to the fact that it has been very greatly modified. So far as I know, all the controversial aspects of the bill relating to patents and to research have been removed from it. It provides for a clearinghouse of information on the one hand and on the other hand gives legislative authority for declassification activities, if that is the proper way to put it, in connection with technical knowledge which we are getting out of Germany. That, for the immediate future, is the principal activity. There is no legislative authority for that activity. It will be recalled that appropriation for it was stricken out in the House on that ground. But it is an exceedingly important activity, and I really think it is noncontroversial; namely, the activity of getting information and making it available to industry in this country.

Mr. BALL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BALL. I believe the collection of scientific information is authorized by law, but the whole item was stricken out in the House because there was a research program in connection with it which was not authorized. The whole thing went out. In the Senate the Office of Technical Service was put back. What the bill would do—and I am very much in favor of it—is to authorize the Secretary of Commerce to reproduce these records and sell them.

Mr. FULBRIGHT. I had understood it was stricken out but was put back by the Senate. I may not be correct about that. The main thing I want to call to the attention of the Senate is that the bill is greatly restricted in scope and will not have the objections which were made to the original bill which was introduced last year. This has been greatly changed. I hope it will pass on the next call of the calendar. I want to make an effort to get it up as soon as possible, because I do not think there will be any substantial objection.

The PRESIDING OFFICER. On objection, the bill will go over.

The bill (H. R. 1389) to amend the Veterans' Preference Act of 1944 was announced as next in order.

Mr. PEPPER. Let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

KENDUSKEAG STREAM, MAINE

The bill (H. R. 599) declaring Kenduskeag Stream, Penobscot County, Maine, to be a nonnavigable waterway was considered, ordered to a third reading, read the third time, and passed.

CONCURRENT RESOLUTION PASSED OVER

The concurrent resolution (H. Con. Res. 51) against adoption of Reorganization Plan No. 3 of May 27, 1947, was announced as next in order.

Mr. TAFT. Let the concurrent resolution be passed over.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

DRAW-BACKS ON EXPORTATION OF DISTILLED SPIRITS AND WINES

The bill (H. R. 959) to amend section 3179 (b) of the Internal Revenue Code was considered, ordered to a third reading, read the third time, and passed.

MANUFACTURE OF WINES

The bill (H. R. 1945) to amend sections 2801 (e) (4), 3043 (a), 3044 (b), and 3045 of the Internal Revenue Code was considered, ordered to a third reading, read the third time, and passed.

Mr. CONNALLY. Mr. President, I wish to ask the chairman of the committee about this bill and the one following on the calendar. According to the calendar, they were reported from the Committee on Banking and Currency.

Mr. MILLIKIN. Mr. President, the bills themselves show correctly the committee by which they were reported. The calendar is in error in indicating that Calendar Nos. 414 and 415 were reported from the Committee on Banking and Currency. As a matter of fact, both of them were reported from the Committee on Finance.

The PRESIDING OFFICER. The printed copies of the bills, now at the desk, so indicate. The clerk will state the next measure on the calendar.

BLENDING AND AGING OF BRANDIES IN BOND

The bill (H. R. 1946) to amend section 2801 (e) of the Internal Revenue Code was considered, ordered to a third reading, read the third time, and passed.

REPRESENTATION OF AMERICAN SMALL BUSINESSMEN ON POLICY-MAKING BODIES

The concurrent resolution (S. Con. Res. 14) favoring a fair representation of American small businessmen on policy-making bodies created by Executive appointment was considered and agreed to, as follows:

Resolved, etc., That the Congress recognize the valid claim of the small businessmen of America to equal representation as an entity, with labor, agriculture, and other groups, on those Government commissions, boards, committees, or other agencies in which the interests of the American economy may be affected; and that the President of the United States, the members of the Cabinet, and other officers of the Government be, and hereby are, respectfully urged to accord the small businessmen of America representation on such Government agencies including particularly policy-making bodies created by Executive appointment.

The preamble was agreed to.

CARRY-OVERS TO RAILROADS

The Senate proceeded to consider the bill (H. R. 3861) to allow to a successor railroad corporation the benefits of certain carry-overs of a predecessor corporation for the purposes of certain provisions of the Internal Revenue Code which had been reported from the Committee on Finance, with amendments, on page 1, line 6, to strike out "1948" and insert "1950"; on page 2, in line 7, after the word "taxable", to strike out "years; and" and insert "year, and"; and on page 4, after line 21, to insert:

(c) This section shall be applicable to those taxable years of the successor corporation to which there is a carry-over of a net operating loss or unused excess profits credit under section 1, and to any later taxable year for which a net operating loss deduction or unused excess profits credit adjustment results or is increased by reason of the use in another year of a carry-over permitted under section 1.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

REGULATION OF INSURANCE BUSINESS

The bill (S. 1508) to amend the act entitled "An act to express the intent of the Congress with reference to the regulation of the business of insurance," approved March 9, 1945 (59 Stat. 33) was announced as next in order.

Mr. TAFT. Mr. President, may we have an explanation of the bill?

Mr. McCARRAN. Mr. President, the Senate will recall that during the Seventy-ninth Congress, the Congress passed an act requiring certain conditions to be met by the insurance companies, through the State legislatures, to set themselves aright with the decision of the Supreme Court of the United States. The Judiciary Committee, over which I had the privilege of presiding until the first of January of this year, made a study of this subject at my direction, to see what had been done up to that time. The study has been continued up to date.

We find that it is necessary now to extend the provisions of Senate bill 15, which was the law permitting the insurance industry to set itself aright, from the 1st of January, 1948 to the 1st of July 1948, in order that the Congress may make its own investigation as to whether the insurance industry is bringing itself in line, so that no further legislation from the Federal Congress may be necessary.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 1508) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to express the intent of the Congress with reference to the regulation of the business of insurance," approved March 9, 1945, is amended by striking out the words "January 1, 1948," wherever they appear in such act, and inserting in lieu thereof the following: "June 30, 1948."

NORMAN ABBOTT

The bill (H. R. 770) for the relief of Norman Abbott was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF ABRAM BANTA BOGERT

The bill (H. R. 837) for the relief of the estate of Abram Banta Bogert was considered, ordered to a third reading, read the third time, and passed.

A. J. DAVIS AND OTHERS

The bill (H. R. 1851) for the relief of A. J. Davis, Mrs. Lorene Griffin, Earle Griffin, and Harry Musgrove was considered, ordered to a third reading, read the third time, and passed.

FRANK J. SHAUGHNESSY

The bill (S. 1043) for the relief of Frank J. Shaughnessy, collector of internal revenue, Syracuse, N. Y., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the internal-revenue account of Frank J. Shaughnessy, collector of internal revenue, Syracuse, N. Y., with the amount of $468, representing certain moneys received by and in the custody of John V. Franey, deputy collector of internal revenue, Binghamton, N. Y., as internal-revenue collections, and which were stolen by an unknown person in a hold-up of the branch office of the collector located at Binghamton, and which were not turned over to the said Frank J. Shaughnessy, collector of internal revenue, for deposit.

NORMAN THORESON

The Senate proceeded to consider the bill (H. R. 1658) for the relief of Norman Thoreson, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, in line 5, after the name "Thoreson", to insert "and Thoreson Brothers, a partnership."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act for relief of Norman Thoreson and Thoreson Brothers, a partnership."

ROBERT HINTON

The Senate proceeded to consider the bill (H. R. 1954) for the relief of Robert Hinton, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 6, after the words "sum of", to strike out "$2,000" and insert "$1,500."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

BILL PASSED OVER

The bill (S. 1486) to provide for payment of salaries covering periods of separation from the Government service in the case of persons improperly removed from such service was announced as next in order.

Mr. TAFT. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

JOHN C. GARRETT

The bill (H. R. 1513) for the relief of John C. Garrett was considered, ordered to a third reading, read the third time, and passed.

NEW JERSEY, INDIANA & ILLINOIS RAILROAD

The bill (H. R. 2302) for the relief of the New Jersey, Indiana & Illinois Railroad was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 697) to provide for payment of overtime compensation to supervisory employees in the field service of the Post Office Department was announced as next in order.

Mr. CORDON. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1394) to provide increased subsistence allowance to veterans pursuing certain courses under the Servicemen's Readjustment Act of 1944, as amended, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

Mr. MORSE. Mr. President, I ask that the objections be withheld until I have

an opportunity to make a brief explanation of the bill.

I wish to say that I think this is one of the most deserving pieces of legislation on the calendar. This first veterans' bill provides increases in subsistence allowance for veterans going to school, as follows: From $65 to $75, a $10 increase, for single veterans; from $90 to $105 for married veterans; and if the veteran has one child or more, the bill provides an increase to $120.

I wish to say to the Members of the Senate that a subcommittee of the Committee on Labor and Public Welfare held hearings, which have been printed. An exceedingly conscientious job has been done on this piece of legislation. In fact, if we consider the multitude of bills which have been introduced at this session of Congress and if we compare all the other bills with this bill and the two bills which follow on the calendar, Senators will get some idea of the work we have done in trying to bring about a general agreement on the part of the members of the committee in regard to this legislation.

This particular bill, Senate bill 1394, was reported by our committee with, I think, only two dissenting votes.

Mr. President, if we in Congress are going to do anything at all by way of making any changes in subsistence for the veterans who are attending school, I say we cannot do less than what this bill provides. I think that is the fundamental issue in regard to this piece of legislation.

If we are not going to do anything, then I think we have to fly in the face of a record the overwhelming evidence of which shows that we should do at least this much, because the record is rather clear that there are a great many veterans who are finding it necessary to drop out of school because they cannot make a go of it on the present allowances. From the record it will be found that, in round numbers, so to speak, we have increased the allowances only by an amount sufficient to take care of the changes which have occurred in the cost of living since the last allowance was made.

I think it would be most unfortunate for us to end this session on July 26 with bills such as this one dying on the calendar. I make a plea this afternoon, and I shall plead it and plead it and plead it from now until the time of adjournment, and in that connection I shall seek to take advantage of whatever rights are available to me under the rules to bring this legislation to a vote; I plead this afternoon that we do justice to these veterans, and that all Members of the Senate take time to read this record and come to a conclusion as to whether they wish to do anything at all on this subject.

Mr. President, I say that is the issue. Senators either wish to do something of the sort provided by this legislation, or they wish to do nothing. If they wish to do something of this sort, what this bill provides is the least they can do. I believe it will be found from the record that every dollar of increase that we award under legislation of this type will be returned to the economy of our country many times over.

I do not know of any greater service that we can perform for our veterans than to encourage them to get an education under the GI bill.

I close by stating that under this bill we shall not be changing the basic intent and performance of the educational provisions of the GI bill. It never was the intention of Congress to defray the total costs of their education, but the congressional intent was to give the veterans substantial aid and assistance in their efforts to secure an education. We shall be doing that under this bill. Under it we shall not be paying all their costs; we shall fall far short of that.

But I say that in round numbers we shall be taking care of the increase in the cost of living, particularly that in the case of food and shelter, which has occurred since the last allowance was made by the Congress.

I can understand how some of my colleagues may wish to take time to consider this matter a little longer, but I hope the Senate will not, when adjourning on July 26, have followed the tactics of letting legislation of this sort die on the calendar.

Mr. THYE. Mr. President, I ask that the bill be passed over.

Mr. PEPPER. Mr. President, I wish to make a brief statement at this time, so that the RECORD will not show that the statement made by the able Senator from Oregon [Mr. MORSE] was uncontested. I refer to his statement that the GI bill was passed with the idea that Congress was not giving adequate assistance even in a modest sum to the GI's who attend school, but that in passing that bill and in giving the veterans only partial assistance Congress intended that of necessity the veteran would have to use some of his own savings or would have to obtain help from his family or from someone else, or that either he or his family would have to obtain employment while he was receiving an education.

I wish to say that I have been on the committee, and I voted for the bill, but I never had that concept. I think it is obvious that most Senators did not have that concept because only a limited number of jobs are available to students, either in colleges or universities or in the college or university towns.

As the Senator from Oregon knows, I thoroughly respect everything he says, but I did not want the statement he made to go unchallenged as a statement of congressional intent. Although we made only modest provisions—and, of course, we did not want the veterans to live in luxury—yet I did not want the RECORD to show that there was no challenge to the statement that we did not intend to provide modest sustenance under that act.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. MORSE. I simply want to say that the statement made by the Senator from Florida should give the entire Senate some little idea of the problem I have had as chairman of the subcommittee in bringing in something, with the differences of opinion on legislation, on which at least we had agreed. I hope that other Members of the Senate will take cognizance of that fact, and the next time this bill is called may give to it the support which I think we deserve for the very long, hard, and conscientious work we have done in endeavoring, for the Senate itself, to work out a fair solution of veterans' legislation.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. Objection to immediate consideration has been raised. The bill will go over.

The bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a) as amended, was announced as next in order.

SEVERAL SENATORS. Over.

Mr. MORSE. Mr. President, I do not ask to have the objections withheld. I simply want to repeat what I have already said in regard to S. 1394. The Senate bill 1393 raises again for the Senate the question whether we are going to adjourn on July 25 without doing anything on veterans' legislation. I shall be very glad if we can get this up on the regular order for full debate. At a later time I should be very glad to go into the evidence in full as to why I think Senate bill 1393 should be passed.

The PRESIDENT pro tempore. On objection, the bill will go over.

The bill (S. 1391), a bill to authorize payments by the Administrator of Veterans' Affairs in the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

WORLD HEALTH ORGANIZATION

The joint resolution (S. J. Res. 98) providing for membership and participation by the United States in the World Health Organization and authorizing an appropriation therefor, was announced as next in order.

Mr. VANDENBERG. Mr. President, I wish to make a very brief statement regarding this joint resolution. This is the action under which the United States joins the World Health Organization, which is one of the specialized agencies of the United Nations. The World Health Organization is a successor to the international bodies in the health field, which operated so successfully under the old League of Nations, and which no longer have a parent, except as the new foster parent takes over. The World Health Organization as a result, becomes the successor to the previous international agencies. Whatever one feels about international cooperation, there certainly can be no argument about the fact that disease and epidemic decline to recognize any boundary lines whatever; and if there is one area of action in which cooperation of this nature is indispensable, we have it here.

I desire to add briefly that the legislation has the complete endorsement of the American Medical Association; and in the area of drugs, and so forth, it has the complete approval of the American

Pharmaceutical Association; so that I think there is no argument or difficulty in any of those directions.

We found that the constitution of the World Health Organization permits amendment of the constitution by two-thirds of the membership, regardless of where the votes may come from. In other words, we could have confronted an obligation under the charter of the World Health Organization, which could have been changed without our consent under the terms of the constitution. Therefore, the committee has added an amendment which is a 90-day escape clause, and permits us to retire from the World Health Organization on 90 days' notice, whenever it is considered to be in the national interest.

Mr. TAFT. Is there available a copy of the constitution of the World Health Organization, to which we are subscribing?

Mr. VANDENBERG. There is a printed committee report and a printed copy of the constitution, but apparently it has not been delivered. I am sorry about that.

Mr. TAFT. Can the Senator tell us what it is to which we subscribe? Do we accept any principles, or is there anything like that involved in the constitution?

Mr. VANDENBERG. The World Health Organization, under its constitution, has no authority except to recommend, and each member of the organization is free to accept or reject the recommendations. I should say that the only firm obligation involved is to pay our annual share of the expenditure, as is the case in all such international cooperation.

Mr. KEM. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. KEM. Will the Senator advise the Senate as to the annual cost, and the extent of the financial obligation?

Mr. VANDENBERG. The total budget of the World Health Organization this year, tentatively, is around $4,000,000. Our share of the expenditure is something like $2,000,000.

Mr. KEM. Do we become obligated for a proportionate share of whatever budget is adopted by the World Health Organization?

Mr. VANDENBERG. We become obligated for whatever is allocated as a result of the organization in which we participate. At any time that proves unsatisfactory, or that any other phase of the adventure proves unsatisfactory, we have our 90-day escape clause, which the Senator from Michigan himself proposed, because he wanted to make perfectly sure that he could tell his colleagues that at least they are only in 90 days' jeopardy under the proposal which is presented.

Mr. KEM. I appreciate the foresight of the Senator from Michigan.

Mr. DONNELL. Mr. President, in view of the statement by the Senator from Michigan, I regret exceedingly that I feel it my obligation to object to consideration of this matter. It seems to me that it is decidedly unwise for the Senate of the United States to authorize membership and participation by the United States in any organization, without the Senate at least having the opportunity to see the constitution of the organization. I therefore respectfully object.

Mr. VANDENBERG. I think there is some justification in that attitude. I tried to have a copy available to the Senator yesterday. It is available to him now, and if he will familiarize himself with it at his earliest convenience, I have such complete confidence in the high degree of wisdom which he always personifies that I know this is the last time we shall collide upon this subject.

The PRESIDING OFFICER. Objection has been raised. The bill will go over.

PURCHASE OF AUTOMOBILES BY DISABLED VETERANS

Mr. MORSE. Mr. President, at the suggestion of the senior Senator from Missouri [Mr. DONNELL], I wish to make for the RECORD a brief statement regarding Calendar No. 432, Senate bill 1391, to the consideration of which objection was made. I point out that the bill deals with the supplying of automobiles for economic rehabilitation and psychological rehabilitation to those disabled veterans who have, as the result of a war disability, lost one leg, or the use of one leg, or more; one arm, or the use of one arm, or more; or have lost their sight. Here, again, Senators are dealing with a record from which it cannot be denied as a fact, once the record is read, that the offering of automobiles to veterans will be of great aid to them in rebuilding them and reestablishing them in civilian life, both economically and psychologically. It will be found also that the testimony is uniform in support of the proposition that this type of advantage to veterans is probably the very best assistance that we could possibly give to them in making the tremendous adjustment that it is necessary for them to make, as they return to civilian life. If Senators could meet them, if they could work with them, if they could talk to them, as those of us in the subcommittee have done; if Senators could study their records and the importance of these automobiles to them, I am sure they would not sit here and deny this very small request to a group of men who have given so much to the welfare and the protection and the security of this Nation. I am not making a plea on the basis of sentiment alone, although I could make it on the basis of sentiment alone and justify it entirely, Mr. President, on the basis of our moral obligation to these men. But these automobiles, as the record shows, will be of great assistance to them in making their economic readjustment to civilian life.

The total cost of the bill, compared with the millions upon millions of dollars we spent for other purposes not nearly so important as this, is $9,900,000; and I think that is little enough—little enough for us to give to these veterans in an attempt to give them a lift out of the suffering and the discouragement they are now enduring, in view of the great sacrifice they have made for us.

I certainly hope it is not going to be necessary for me to plead again for the passage of this bill. I think it ought to be obvious to all that it is a bill which should go through the Senate, in view of the work the committee has done, without any question at all. If my recollection is correct—and my colleagues can inform me, if I am wrong—I think the bill went through our full committee of 13 members with not more than two votes against it; indeed, I believe with only one vote against it. My recollection is, Mr. President, there was only one vote against it.

I know we are rushed here at the end of the session, and I know many of us do not have time, individually, to make the detailed study of such a record as we have on these bills. I am not speaking for myself, I am speaking for a committee, the overwhelming majority of which have come to the same conclusion on these three pieces of legislation and I think, in the closing days of the session, we ought to place confidence in our committees, and when the record shows that they have done a hard, conscientious, loyal piece of work for all the rest of us, Senators ought to place their trust in us, they ought to give us the support we need in the passage of the three pieces of veterans' legislation I am offering.

BILL PASSED OVER

The PRESIDENT pro tempore. The clerk will state the final bill on the calendar.

The bill (H. R. 3309) to amend the Organic Act of Puerto Rico was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over. That completes the calendar.

INTERSTATE WATER RIGHTS IN COLORADO RIVER SYSTEM

Mr. HAYDEN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HAYDEN. Is it in order at this time to raise the question of the reference of a joint resolution?

The PRESIDENT pro tempore. The Chair thinks it is.

Mr. HAYDEN. I direct the attention of the Chair to a joint resolution introduced today by the Senators from Nevada [Mr. MCCARRAN and Mr. MALONE], and by the Senators from California [Mr. DOWNEY and Mr. KNOWLAND], directing the Attorney General of the United States to commence suit in the Supreme Court of the United States against the States of Arizona, California, Nevada, New Mexico, and Utah, to determine their claims and rights to the use of waters of the Colorado River system available for use in the lower Colorado River Basin.

It is my contention, Mr. President, that the joint resolution should be referred to the Committee on Public Lands and not to the Committee on the Judiciary, as requested by those who proposed it, for

the reason that the Committee on Public Lands——

The PRESIDENT pro tempore. The Chair wishes to say to the Senator from Arizona that under the terms of the La Follette Act, when a question of jurisdiction is raised it must be settled without debate. Therefore, it occurs to the Chair that the Senator had better permit the Chair to rule upon the point of order as to the reference of the joint resolution, and then the Senator can appeal from that decision, and the appeal will be debatable.

Mr. TAFT. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. Under the unanimous-consent agreement, what will be the next business to be taken up by the Senate?

The PRESIDENT pro tempore. The Chair would say that, under the unanimous-consent agreement, the next business to be taken up will be the unification bill, to be taken up on Monday.

Mr. TAFT. It is not the order of business at the moment, then?

The PRESIDENT pro tempore. No; the Chair does not think it is. In any event, the Chair thinks that a point of order with respect to reference is always in order.

Mr. McFARLAND. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McFARLAND. Would it be in order to ask unanimous consent that we be granted permission to give the Chair the benefit of our views upon the subject before the Chair rules?

The PRESIDENT pro tempore. In the opinion of the Chair, there is almost nothing the Senate cannot do by unanimous consent. The Chair thinks the Senate can give the unanimous consent suggested by the junior Senator from Arizona.

Mr. McFARLAND. Then, Mr. President, I make that request.

Mr. McCARRAN. I object.

The PRESIDENT pro tempore. The junior Senator from Arizona has made the request, and there is objection.

The Chair will rule. The joint resolution introduced by the Senator from Nevada [Mr. McCARRAN] for himself, the Senator from California [Mr. DOWNEY], the Senator from California [Mr. KNOWLAND], and the Senator from Nevada [Mr. MALONE] is a joint resolution the title of which is as follows:

To authorize commencement of an action by the United States to determine interstate water rights in the Colorado River.

This is one of those situations in which the color of argument very easily can be made for reference either to the Senate Committee on the Judiciary or to the Senate Committee on Public Lands. The question, therefore, becomes one of where the preponderance of interest would seem to lie.

The Committee on Public Lands unquestionably has jurisdiction over interstate compacts relating to the apportionment of waters for irrigation purposes. It unquestionably has jurisdiction over irrigation and reclamation, including water supplies for reclamation projects and assessments for irrigation purposes. Therefore if the joint resolution dealt with the inherent problem of water rights in this area, certainly an excellent argument could be made for the reference of the joint resolution to the Committee on Public Lands.

But when the Chair turns to the definition in the Reorganization Act of the jurisdiction of the Committee on the Judiciary, he finds, among other things, that the Committee on the Judiciary has jurisdiction over interstate compacts generally. So there is jurisdiction over interstate compacts even in the Committee on the Judiciary. But fundamentally and primarily the Committee on the Judiciary has jurisdiction over judicial proceedings, civil and criminal generally. The Committee on the Judiciary certainly is the opposite number of the Department of Justice, which is the institution involved in the instructions contained in the prospective legislation. Therefore it is the opinion of the Chair that the preponderance of reason recommends that the joint resolution be referred to the Senate Committee on the Judiciary.

The ruling is open to an appeal, and the Chair certainly will take no offense if an appeal is made, since this is one of those things which ought to be fully liquidated and ventilated, because we are making precedents all the time in the present Congress in respect to a brand new chapter in the parliamentary life of the Senate.

Mr. HAYDEN. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HAYDEN. Would the appeal have to be determined immediately, or could the appeal be filed, and be argued on another day? It is now 6:20 o'clock.

The PRESIDENT pro tempore. In the opinion of the Chair, the appeal could be filed and postponed. I think it would take unanimous consent to postpone the appeal.

Mr. HAYDEN. Under those circumstances I would respectfully appeal from the decision of the Chair, and I ask unanimous consent that the matter be discussed on another day.

Mr. KNOWLAND. Mr. President, reserving the right to object——

The PRESIDENT pro tempore. Let the Chair state the present situation. The senior Senator from Arizona appeals from the decision of the Chair. Therefore the question is, Shall the decision of the Chair stand as the judgment of the Senate? Upon that question the Senator from Arizona asks unanimous consent that action be postponed until a later day.

Mr. RUSSELL. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. RUSSELL. Even though objections were interposed to the unanimous-consent request of the senior Senator from Arizona, a motion to recess would still be in order, would it not, which would carry the matter over?

Mr. WHERRY. Mr. President, a motion to recess would not displace the matter agreed by unanimous consent to be taken up on Monday.

The PRESIDENT pro tempore. A motion to recess is in order at any time.

Mr. KNOWLAND. Mr. President, reserving the right to object, I wish merely to state at this time that although the hour is late, the authors of the joint resolution are impressed with the importance of getting the matter to the committee so that hearings can be held and the joint resolution favorably considered by the Committee on the Judiciary so that it can be reported to the floor of the Senate before final adjournment. Therefore, we feel it is necessary that we proceed forthwith so that the matter will be before the proper committee. For that reason I must enter objection to the request made by the senior Senator from Arizona.

Mr. HATCH. Mr. President, will the Senator withhold his objection a moment? I doubt very much whether any time will be saved by objecting now. There are many parliamentary tactics which can be interposed and resorted to if necessary. The Senator from Arizona has made a very fair statement and request. We think it is unfortunate that the joint resolution should go to the Committee on the Judiciary instead of the Committee on Public Lands. We would like to have some opportunity to present our views at a time other than 22 minutes after 6 o'clock in the afternoon. I am quite sure the junior Senator from California and the senior Senator from Nevada would not object to that procedure. That is all we ask. If we are compelled to resort to other tactics, they can be resorted to. I merely hope the Senator from California will not force us to adopt any such tactics.

Mr. KNOWLAND. Mr. President, I will merely say to my distinguished colleague from New Mexico that it so happens that my colleague from California, who can speak for himself, must of necessity be out of Washington next week. That will mean that one of the authors of the joint resolution, who is present this evening, will not be present to advocate it. I think as a matter of courtesy in that regard we have every reasonable right to ask that the argument be presented here this evening, and that whatever decision the Senate might care to take be taken while my colleague is in the city.

Mr. HATCH. Will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. HATCH. I shall be perfectly willing to have the senior Senator from California [Mr. DOWNEY] make his statement this afternoon. I for one would be glad to remain. I am sure the entire Senate would like to hear the Senator from California. But in order that Senators may have the opportunity to hear him, I should feel compelled to suggest the absence of a quorum.

The PRESIDENT pro tempore. The question before the Senate is whether there is objection to the request made by the senior Senator from Arizona.

Mr. McCARRAN. I object, Mr. President.

Mr. McFARLAND. A parilamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McFARLAND. Could the appeal from the Chair be made on Monday or on a later date?

The PRESIDENT pro tempore. The parliamentarian advises the Chair that the appeal must be taken before other business intervenes.

Mr. HATCH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. Is an appeal from the ruling of the Chair debatable?

The PRESIDENT pro tempore. An appeal from the decision of the Chair is debatable.

Mr. LUCAS. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. When did the joint resolution come to the Senate?

The PRESIDENT pro tempore. The joint resolution was introduced by unanimous consent this afternoon, and was held at the desk at the request of the senior Senator from Arizona on the matter of reference.

Mr. HATCH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. I understand that the Senator from Arizona [Mr. HAYDEN] has already lodged an appeal.

The PRESIDENT pro tempore. The Senator from Arizona has lodged an appeal.

Mr. HATCH. And that appeal is now the pending question.

The PRESIDENT pro tempore. That is the pending question.

Mr. HATCH. Mr. President, I am compelled to suggest the absence of a quorum.

Mr. McFARLAND. Mr. President, if the Senator will withhold his request, I should like to state that this is a most important question——

Mr. HATCH. I withhold the suggestion of the absence of a quorum.

Mr. McCARRAN. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McCARRAN. Has the Senator from New Mexico withdrawn his suggestion of the absence of a quorum?

The PRESIDENT pro tempore. As the Chair understands, the Senator from New Mexico has withheld his suggestion for the moment.

Mr. McCARRAN. I did not hear him.

Mr. HATCH. I withheld it out of courtesy to the Senator from Arizona.

Mr. McFARLAND. Mr. President, I suggest to the Senate that this is a most important question so far as the State of Arizona is concerned. It is a question which we would like to debate at some length. It cannot be settled here this evening. It is now 25 minutes past 6. I feel that it is unfair to ask us to debate the question when we have just concluded hearings before the Public Lands Committee on another bill which involves the same question. We shall need to read some of that record, which has not even been typewritten. The last statement was by the distinguished Senator from Nevada [Mr. McCARRAN], who asked that the legislation be held up until suit could be filed and disposed of. We want to debate that question at length. We want the Senate to know what this controversy is all about.

Mr. McCARRAN. Mr. President, will the Senator yield for a question?

Mr. McFARLAND. I yield.

Mr. McCARRAN. The Senator was formerly a member of the Committee on the Judiciary of the Senate.

Mr. McFARLAND. That is true.

Mr. McCARRAN. And the Senator from New Mexico [Mr. HATCH] was also formerly a member of the Committee on the Judiciary.

Mr. HATCH. I was.

Mr. McCARRAN. Has either of those Senators any doubt as to the fairness, justice, or ability of the Senate Judiciary Committee to decide this question?

Mr. McFARLAND. That is not the question.

Mr. HATCH. Mr. President, may I answer the Senator from Nevada?

Mr. McFARLAND. Certainly.

Mr. HATCH. I have no doubt of the fairness, justice, and ability of the Senate Committee on the Judiciary; but I do have grave doubt as to the ruling of the Chair as to which committee should handle this matter. That is the question we wish to discuss. There is involved no question of fairness, justice, or ability. I have the utmost respect for the Senate Committee on the Judiciary.

Mr. McCARRAN. One further question. Is not this a question of judicial proceeding?

Mr. HATCH. Mr. President, we are already arguing the appeal. I say no.

Mr. McCARRAN. Is not this a question involving interstate compacts?

Mr. HATCH. No; not now. The development of the projects is the question; and the Senator himself states it as his theme in the opening sentence of his resolution. The development of water projects properly belongs to the Committee on Public Lands.

The PRESIDENT pro tempore. Let the Chair see if we can get back to the procedure. The pending question is the appeal from the decision of the Chair by the senior Senator from Arizona [Mr. HAYDEN].

Mr. HATCH. Mr. President, much as I dislike to do so——

Mr. TAFT. Mr. President——

Mr. HAYDEN. I yield to the Senator from Ohio.

Mr. WHERRY rose.

Mr. TAFT. Mr. President, I think the Senator from Nebraska has a request to make.

Mr. WHERRY. Mr. President, I ask unanimous consent that when the Senate concludes its business tonight, if it meets with the pleasure of the Senate, it adjourn until Monday next at 12 o'clock meridian. I make that request at this time so that the order may be entered.

Mr. HATCH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Nebraska asks unanimous consent that at the conclusion of the business of the Senate this afternoon, the Senate adjourn until Monday next at 12 o'clock. Is there objection to the request?

Mr. HAYDEN. A parliamentary inquiry.

Mr. HATCH. Mr. President, I wish to propound a parliamentary inquiry, and so does the Senator from Arizona.

The PRESIDENT pro tempore. The Senator from Arizona [Mr. HAYDEN] has the floor.

Mr. HAYDEN. I wish to propound a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HAYDEN. What would be the effect of the adjournment, if we were to adjourn now? Would the appeal be the pending business when we meet on Monday?

The PRESIDENT pro tempore. It would not, under the unanimous-consent agreement, which makes the unification bill the business on Monday when the Senate convenes.

Let the Chair make a statement which may clear up several inquiries. In the opinion of the Chair, under the unanimous-consent agreement, after the Senate concludes its business tonight there will be no time until after the vote is taken on Tuesday on the Dooley nomination, when any further attention can be given to the appeal.

Mr. HAYDEN. Can the appeal be pending at that time?

The PRESIDENT pro tempore. In the opinion of the Chair, it can.

Mr. HAYDEN. If it can, I am entirely satisfied.

Mr. McCARRAN. I object, Mr. President.

The PRESIDENT pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. HATCH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. A parliamentary inquiry——

The PRESIDENT pro tempore. The Senator from New Mexico will state his parliamentary inquiry.

Mr. HATCH. Was the unanimous-consent request propounded by the Senator from Nebraska [Mr. WHERRY] agreed to?

The PRESIDENT pro tempore. The Senator from Nevada [Mr. McCARRAN] objected. It was not agreed to.

Mr. BARKLEY. Mr. President, I did not understand the Senator from Nevada to object to an adjournment until Monday.

Mr. McCARRAN. I did. I objected to the suggestion of the Senator from Nebraska on the basis of the explanation made by the Chair.

The PRESIDENT pro tempore. There is no doubt that the Senator from Nevada objected.

Mr. HATCH. Mr. President, I do not wish to force a session tomorrow, but I have no recourse except to suggest the absence of a quorum, which I do.

The PRESIDENT pro tempore. The Senator from New Mexico suggests the absence of a quorum. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

During the calling of the roll,

Mr. HATCH. Mr. President, I ask unanimous consent to withdraw the suggestion of the absence of a quorum.

The PRESIDENT pro tempore. The roll call will be suspended.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the appeal from the decision of the Chair be considered pending, and that it be brought up for consideration of the Senate after the disposal of the Dooley nomination; that not more than 2 hours be consumed in discussing the matter, one-half to be controlled by the Senator from Nevada [Mr. McCARRAN] and one-half by me.

The PRESIDENT pro tempore. Is there objection?

Mr. McCARRAN. Mr. President, reserving the right to object, does the Senator mean it is to be brought up immediately after the Dooley matter?

Mr. HAYDEN. Yes.

The PRESIDENT pro tempore. Is there objection?

Mr. GURNEY. Mr. President, reserving the right to object, it is my understanding, then, that it is considered, in connection with the unanimous-consent request now pending, that the unification bill will be the order of business on Monday.

The PRESIDENT pro tempore. The Senator is correct.

Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

ADJOURNMENT TO MONDAY

Mr. WHERRY. Mr. President, if there is no further business to come before the Senate at this time, I move that the Senate adjourn until Monday next at noon.

The motion was agreed to; and (at 6 o'clock and 40 minutes p. m.) the Senate adjourned until Monday, July 7, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received July 3 (legislative day of April 21), 1947:

JUDGE, FIFTH CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Hon. Philip L. Rice, of Hawaii, to be judge of the Fifth Circuit, Circuit Courts, Territory of Hawaii. (Judge Rice is now serving in this post under an appointment which expired April 22, 1947.)

UNITED STATES ATTORNEY

Ward Hudgins, of Tennessee, to be United States attorney for the middle district of Tennessee, vice Horace Frierson, whose term will expire July 7, 1947.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 3, 1947

The House met at 12 o'clock noon.

The Reverend Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who wert the God of our fathers, we thank Thee for all the great days in our national history, and especially for that day of solemn and sacred memory which we call Independence Day.

We pray that our minds and hearts may continue to enlarge with pride and praise for our beloved country, conceived in sacrifice, dedicated to Thy glory, and consecrated to the service of mankind.

Grant that the lofty ideals of democracy, of freedom and friendship, of justice and righteousness, may ever be the foundation upon which we are seeking to build a glorious Nation and a better world.

Inspire us with a passion to lead struggling humanity out of the darkness of night into the radiant light of a new day that will be more blessed than our fondest hopes.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3333. An act to authorize the transfer of the *Joseph Conrad* to the Marine Historical Association of Mystic, Conn., for museum and youth-training purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4031) entitled "An act making appropriations to meet emergencies for the fiscal year ending June 30, 1948, and for other purposes."

INCOME-TAX REDUCTION

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a majority report, and if the minority should decide to file a minority report that it also have until midnight to file, on H. R. 3950, which is a bill to reduce taxes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

FOREIGN ECONOMIC POLICY—PRELIMINARY REPORT

Mr. VORYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Mr. Speaker, a copy of a preliminary report of the Subcommittee on Economic Policy of the Committee on Foreign Affairs is being sent to each Member of the House. We urge you to read it.

The Committee on Foreign Affairs has brought to the floor in this session a series of bills in response to Presidential messages which had to be considered in an atmosphere of emergency. The relief bill, the Greek-Turkish bill, and the IRO bill had to be considered after public commitments had been made by the Executive and when dead lines for action lay ahead.

Long before the Marshall plan was announced, the committee realized the critical situation that existed in Europe and the necessity of our studying the situation in our own interest, so that the committee would have its own independent sources of information about matters which required legislation before such legislation was requested or introduced.

The task of the Economic Subcommittee was obviously to determine, as far as possible, the needs for world recovery, particularly in Europe, and the ability of the United States to help meet these needs on a basis satisfactory to the United States. The subcommittee decided that the way to start was to survey and analyze existing studies so as to avoid duplication. This preliminary report deals with European needs, rather than with our ability to fulfill these needs, because this is the state of available existing studies in this country.

We have had the cooperation of the Department of State, the Department of Commerce, the Tariff Commission, the Export-Import Bank, the Treasury Department, the Food and Agriculture Organization and other sections of the United Nations, the International Bank, the National Planning Association, the Council of Foreign Relations, the Federal Reserve Board. They have made their existing studies available to us, and their staff members have been extremely prompt and helpful in this work. Special credit must be given to the staff of the Legislative Reference Service of the Library of Congress in collating this data. While we appreciate greatly the help that has been given us, the conclusions and interpretations are the result of the independent judgment of the subcommittee and its staff.

This report analyzes present studies of the needs, limits, and sources of American aid to foreign countries; supplementary sources from self-help and other countries. The apparent dollar deficit in Europe for 3 years, 1947–49, is shown at about $9,970,000,000. The report shows that this is preliminary and subject to many uncertain factors, but this is a more careful and certainly a more encouraging estimate than such current stratospheric guesses as ten billion a year for 5 years. The report also points out that the problem is not resolvable into a mere statement of dollar deficits, even though such an estimate is important, but depends upon meeting shortages in critical commodities, and that this involves many questions of policy other than financial.

This report is preliminary and outlines possible future reports. The keynote of the attitude of our subcommittee in studying this question, however, may be